

NOTICE OF MEETING

FULL COUNCIL

Tuesday, 1st March, 2022, 7.30 pm - Tottenham Green Leisure Centre 1 Philip Lane N15 4JA (watch the live meeting [Here](#) and watch the recording [here](#))

Members: Councillors 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, Seema Chandwani, Sakina Chenot, James Chiriyankandath, Pippa Connor, Eldridge Culverwell, Nick da Costa, Lucia das Neves, 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, Adam Jogee (Mayor), Peter Mitchell, Liz Morris, Khaled Moyeed, Julia Ogiehor, Felicia Opoku, Tammy Palmer, Sheila Peacock, Reg Rice, Viv Ross, Alessandra Rossetti, Yvonne Say, Anne Stennett, Daniel Stone, Preston Tabois, Noah Tucker, Elin Weston, Matt White and Sarah Williams

Quorum: 15

1. FILMING AT MEETINGS

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

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

2. 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 22ND NOVEMBER 2021, 10 JANUARY 2022 & 17TH JANUARY 2022 (PAGES 1 - 34)**
7. **TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL**

Oral update
8. **TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE**
9. **TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL & GOVERNANCE SERVICES**
10. **REVIEW OF COUNCIL TAX REDUCTION SCHEME ADMINISTRATION FOR 2022/23 (PAGES 35 - 308)**
11. **TO RECEIVE A REPORT FROM THE STAFFING AND REMUNERATION COMMITTEE (PAGES 309 - 320)**

To approve the Pay Policy Statement 2022/23

12. TO RECEIVE A REPORT FROM THE CORPORATE COMMITTEE (PAGES 321 - 328)

To opt in to the Public Sector Audit Appointments Ltd (PSAA) scheme to enable them to appoint the external auditor for the Council and for the Pension Fund.

To agree the proposed updated Treasury Management Strategy Statement for 2022-23.

13. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND IF APPROVED, TO RECEIVE THEM

In accordance with Council Standing Order 2(vi) To hear deputations and receive petitions related to the budget, accepted under rules 11 & 12.

14. 2022/23 BUDGET AND MEDIUM TERM - FINANCIAL STRATEGY 2022/27 (PAGES 329 - 580)

Approval of the final Budget, MTFS and Council Tax for 2022/23 by Full Council in accordance with the Council's Constitution.

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Monday, 21 February 2022

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MINUTES OF MEETING Full Council HELD ON Monday, 22nd November, 2021, 7.30pm to 10.05pm

PRESENT:

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

32. FILMING AT MEETINGS

The Mayor welcomed attendees to the November meeting of Full Council at Tottenham Green Leisure Centre. He continued to set out the protocol for filming at meetings and provided information on the Covid safety measures in place. This was noted by attendees.

33. TO RECEIVE APOLOGIES FOR ABSENCE

The Chief Executive advised that the following Councillors had given apologies:
Cllr Adamou

Cllr Amin

Cllr Chiriyankandath

Cllr Demir

Cllr Barnes

Cllr M Blake

Cllr Stone

Cllr James

Cllr Carroll

34. 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 asked the Mayor to agree the admission of the following late items of business that could not be available earlier and needed to be dealt with at the meeting:

- Item 7 – Change in Committee Membership - The reason for lateness was to allow finalisation of the report and consultation.
- Item - 11 - The Report from Corporate Committee on Treasury Management midyear update - The reason for lateness was due to the Corporate Committee meeting taking place after the publication of Council papers.
- Item 14 - 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 must be researched and replies prepared to be given at the meeting.
- Item 15 – Motions - Noted that the amendments to motions were not requested until 10am on the day of the Council meeting and there had been amendments to Motion C and Motion D which has been published and distributed as a supplementary pack.

The Mayor accepted these as late items of business.

35. DECLARATIONS OF INTEREST

Cllr Diakides and Cllr Hakata both declared personal and prejudicial interests in deputation 4 and Item 15 [Motion D]. This was by virtue of their membership of the North London Waste Authority and voting capacity.

Cllr das Neves declared a non – prejudicial interest by virtue of residing in one of the proposed low traffic neighbourhoods scheme areas proposed in the borough.

36. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 19TH OF JULY 2021

RESOLVED

To agree the minutes of the meeting held on the 19 July 2021 as a true record.

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

The Mayor had emailed an update on his Mayoral engagements and activities.

The Mayor was saddened to hear of the passing of former Mayor, Sheik Thompson. He was a well-known figure and would be missed by his family and friends. The Mayor extended the Council's condolences to his wife and son.

The Mayor, like all colleagues in the chamber was horrified by the senseless murder of the MP, David Amess, whilst carrying out his daily role as an MP and extended the Council's condolences to the Amess family.

The Mayor was aiming to visit 30 businesses in the next 30 days, across the borough to raise money for his charities, whilst also supporting the many businesses that fuelled the borough's economy.

The Mayor had visited several schools in October to celebrate Black History month.

The Mayor had visited the refurbished Hornsey Library and Muswell Hill Library.

The Mayor encouraged all colleagues, who had yet to have their booster vaccine, to get this and for any colleagues who had yet to have their second vaccine to also get this. It was important to support the vaccination effort in the borough and set the example to constituents yet to have their vaccines.

The Mayor spoke about his meeting of Giovanni Rose on his visits to schools. Giovanni was a top 15 winner of the Foyle Young Poets of the Year Award 2021. Giovanni had surpassed 6000 entrants to win one of the biggest poetry competition in the world. The Mayor wanted the Council to acknowledge Giovanni's efforts and accomplishment. He called on Giovanni, who was in attendance, to recite poem called 'Welcome to Tottenham'.

After the reading of the Poem, the Mayor led the meeting in round of applause and looked forward to hearing about Giovanni's further successes.

Cllr Diakides spoke in memory of Sheik Thompson as a comrade and friend who was a distinguished musician. He had promoted young musicians throughout his years as a Councillor and as a former Mayor of the Council.

The Mayor led the meeting in a 1 minute's silence in memory of MP David Amess and former Mayor, Sheik Thompson.

38. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

The report set out an appointment to the Pensions Committee and Board, in accordance with the Labour group wishes.

Cllr Rice the Chief Whip moved that that the recommendations in the report be agreed.

RESOLVED

That Councillor Carlin be appointed to the Pensions Committee and Board.

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

The Monitoring Officer had no matters to report on.

40. TO MAKE APPOINTMENTS TO OUTSIDE BODIES

The Chief Whip moved the report and recommendations and it was:

RESOLVED

1. To approve the extension of Jennifer Mann's membership of the Hornsey Parochial Charities from December 2021 to December 2024.
2. To approve the extension of Greg Gordon's membership of the Hornsey Parochial Charities from March 2022 to March 2023.

41. ADOPTION OF REVISED STATEMENT OF GAMBLING POLICY UNDER THE GAMBLING ACT 2005

Councillor Bevan, Cabinet Member for Planning, Licensing and Housing Services moved the report and recommendations and it was:

RESOLVED

1. To approve and adopt the Statement of Gambling Policy at Appendix 1.
2. To note the supplementary document containing the local area profile information at Appendix 2;

Reasons for decision

The Council is obliged to review and adopt a Statement of Licensing Policy for Gambling every three years. The current policy is due to expire in January 2022. Therefore, a new policy must be adopted.

Alternative options considered

No alternatives were considered. It is a legislative requirement that the policy be reviewed at least every three years, and that a public consultation is carried out. Failure to review and adopt the Statement of Gambling Policy would result in the Council failing to comply with legislation.

42. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

Treasury Management Update Mid-Year Report 2021/22.

The Chair of Corporate Committee moved the report and recommendations and it was:

RESOLVED

1. To note the Treasury Management activity undertaken during the first half of the financial year to 30 September 2021 and the performance achieved which is attached as Appendix 1 to the report.
2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

43. HARINGEY DEBATE - THE IMPORTANCE OF OUR HIGH STREETS; SUPPORTING SMALL BUSINESSES AND THE LOCAL ECONOMY

Councillor Dennison introduced the Liberal Democrat debate on the importance of supporting businesses and the local economy.

Cllr Dennison was pleased to be opening the debate on a topic that was personal to him. Cllr Dennison spoke about starting his own first business in 2012, and his understanding of how difficult it can be to open a business on the high street and how important micro businesses were to the economy. This was in particular to the Haringey economy, which was dominated by micro businesses.

It was noted that according to ONS figures, 94% of Haringey businesses had less than 10 employees. These were family run, shops, small office-based businesses and innovative manufacturing digital creative businesses that were appearing in industrial estates in the borough.

Cllr Dennison presented the following:

- The contribution of businesses to the Council's budget and questioned the mechanism in place to put this funding back into communities. In his view, the current Council policies did little to incentivise business landlords to improve their properties.
- The importance of businesses in relation to jobs, and creating and having an economy that attracts people to live in and travel to the borough.
- The impact of the pandemic on high streets and questioned the strategy, efforts, and priority of the administration to supporting businesses. He questioned the data held by the Council on trading businesses and the know-how and desire of the administration to support businesses.
- In his view, priority was given to developers needs and there was a lack of funding and support for apprenticeships and raised concern from the warehouse districts that developers would be favoured in future years above creative businesses for use of land.
- Supporting businesses to grow and how this required a vision for every business area in the borough and questioned the suitability of current plans, which in his view failed to factor in each business area's distinctive needs, and required a different approach.
- questioned the priorities of the current Labour administration and the proposed spend on the new Civic Centre when this significant sum of money could be spent on the borough's high streets to help create new jobs, enable businesses to grow, move services locally so they could adapt to local areas better and make town centres in the borough better areas to visit.

In conclusion, to his presentation, Councillor Dennison had no doubt that the business community would continue to evolve and thrive, in these uncertain times and he felt that this was despite the administration rather than a true partnership.

The Mayor welcomed guest speaker, Mark Afford (Chair of Crouch End Neighbourhood Forum) who was speaking online:

Mr Afford highlighted the following issues:

- The role that businesses play in the identity of an area, instigating a level of pride in the area, for both new and long-standing communities and helping them bond.
- Engaging Council resources to support businesses and ultimately optimise the rates that can be accrued.
- Important to continually appraise high streets in the borough as these were often closer in profile than currently considered.
- Change in shopping habits and the reasons to visit the high street have altered.
- In last three years, there had been 58 business closures in Crouch End and 40 new openings. This was a huge turnover, but also showed the entrepreneurial attitude remained, as new business were willing to open on the high street and take on this challenge.
- Suggested that the local economy should take centre stage in high streets and place the visitor at the central focus of thinking
- Considering the interventions that will increase footfall. This could mean making the experience more pleasant i.e. expanding pavements, creating public spaces, and making more environmental improvements.
- There was currently nowhere to sit outside in Crouch End, and the Council could look at traffic calming measures, and address the character of the local streets, many of which were in conservation areas.
- There could be an Article 4 direction protection against unwarranted residential conversions.
- The Council could support vitality, encourage advantage entrepreneurship, provide new forums of tenure i.e. pop ups.
- Council could identify spatial payment companies, which were important in the Covid pandemic when awaiting rule changes.

Lewis Freeman, Owner of Dunns Bakery in Crouch End, a further external speaker, continued to highlight the socio-economic factors, important for high streets. He spoke about The Crouch End Festival team that had been holding events throughout the year and had spent a lot of time maintaining and supporting Crouch End area as a whole. There was a sub section of shopkeepers and restaurateurs with a passionate experience about their trade and this was a key team of people whose views and judgement must be trusted in consultations by the Council.

The Mayor opened the debate and the following was noted

Cllr Gordon, Cabinet Member for House Building, Place - Making and Development, agreed that small and medium sized business were at the heart of the Haringey economy. She described the diverse range of businesses in the borough and recognised that during the pandemic, many businesses had suffered and the Council had developed a strategy on economy recovery. Arising from this strategy there would be policies and then actions on the ground which would be taken forward. She set out the four strands of the strategy, which included, training, economic recovery and renewal for all businesses. The final strand had focus on recovery of all high street businesses in town centres and high streets.

Cllr Gordon outlined the initiatives that had supported town centres over the summer and would continue over the winter. A strategic working group was bringing together the trader's organisations in the borough to work in a strategic way, including partners to support activities. The Cabinet Member encouraged business to visit the Council website, which had lots of information on Covid related support and issues related to Brexit. The Council would continue to be as supportive as possible to business with funding and investment.

Cllr Cawley- Harrison spoke about his experience of engaging with the Council on high street innovation and getting the Council to provide practical support to business in the covid pandemic. He found that there were too many reasons provided for not being able to do something and felt that strategically the Council was behind other boroughs. He referred to the lack of mention and priority given to businesses by the administration and reiterated need to invest funding in high streets and business rather than the Civic Centre project. He felt that that there should be funding to introduce a vibrant mix to the high streets as outlined by the external speakers. He described that in the spring the Council had committed to a review of outside eateries. This was at a time when outdoor eating was being allowed under covid rules but currently there was no outcome of the review.

Cllr Ahmet, Leader of the Council, spoke about reviving high streets and how this was more important than ever, despite an increasingly digital world. She described businesses as the social and economic fabric of communities and underlined that the Council was doing all it could to secure a better future for high streets and business. The Cabinet worked closely with trader groups in the borough and considered the place making issues that affect the high streets and were talking to people directly.

The Leader of the Council outlined the community wealth approach, which redirects wealth back into the local community and into the hands of local people. She referred to the high streets action plan, which detailed support to businesses for recovery, online business directory that displayed over 160 SMEs with a second online shopping facility launching in 2022.

The Leader continued to speak about the role of the neighbourhood infrastructure, creating liveable neighbourhoods, housebuilding programme, project to reimagine high streets, improving transport links to town centres, driving foot traffic, and discouraging car use. She asked the opposition to join the administration in opposing any government cuts to TFL, as this would have knock on effects on the access to the high street. In conclusion, the borough's high streets required strategic multi-level

intervention and active participation of residents to ensure there was development of high streets with and for the community.

Cllr Morris spoke about the government's new permitted development rights, which would have a detrimental impact on the high street and commercial centres. It was noted that businesses in the new class C category could be converted for residential use without planning permission. This included shops, restaurants offices, and professional services. There had been opposition to this change from the Forum and Partnerships of the Property Federation and key business associations, as this would exacerbate the decline of high streets. This change would further lead to developers purchasing low value businesses to take forward conversions putting housing in an uncontrolled and unplanned manner on high streets, in turn, threatening business growth and long-term viability of high streets.

Cllr Morris highlighted the issues raised in a report commissioned by the Town and Country Planning Association, which considered that a high number of business premises would be lost to residential developments. She advised that 14 other London Councils had already applied to block these new rights but Haringey had yet to do this. She called for the Council to block these new developer rights and demonstrate that they support and champion business.

Cllr Dogan thanked every shop owner and shop worker, and small business owner for their support to the community. He expressed that the Council had many projects in response to the effects of the pandemic. The Council had paid out many government funded grants since the start of the pandemic. The Economic Development team had completed the following programme: launched direct mail boxes for over 1500 businesses across the borough, a programme of payment plans to help businesses in the aftermath of the lock down, a free business programme for small businesses and 400 businesses will be supported to recover from the impact of Covid. This programme would also help small businesses expand and create more jobs. He concluded by highlighting that small business where the backbone of the local economy and the Council was grateful for their contributions.

Cllr Hare spoke about his experience on the Housing and Regeneration Scrutiny Panel and had listened to historic and ongoing issues in relation to attitudes and sense of responsibility to businesses in regeneration areas. He spoke with the Peacock Industrial Estate businesses who had supported option one of the master plan for Tottenham High Road, which retained the business estate and not taken forward. Cllr Hare continued to outline the commitments in the HRW business charter and how these had not been met. He concluded that the Council should look for suitable premises for these businesses in the borough.

Cllr Say spoke as a Bounds Green Ward Councillor and the success of the Myddelton Road high street, which was a result of collaboration between the local community, businesses and local authority. The pandemic had had an impact on businesses and the Council needed to pay attention to the needs of the businesses and build back better. The mix of different communities was inspiring and showed what could be achieved by listening and working together as a Council on schemes.

Cllr Bull, responded to the views expressed by Cllr Hare on the Peacock estate, challenged the views of Cllr Cawley - Harrison on the engagement with businesses, spoke of officer's significant help, and support to businesses. He agreed with Cllr Say on the success of Myddelton Road High Street.

Cllr Carlin spoke about how small business had transformed the high street and the lives of citizens. She spoke about the rejuvenation of Hornsey High Street with bakeries, shops selling fresh produce, teahouses and dry cleaners. She spoke about how the pandemic showed the community the value of these small shops and residents were continuing to support local businesses.

Cllr das Neves responded to the debate, acknowledging residents renewed relationship with the high street during the pandemic. She spoke about: redoubling efforts to support businesses in the recovery of Covid, discouraging the conversion of commercial property on the high street into poor quality accommodation, considering people that live above shops and ensuring property owners meet their responsibilities. She noted that businesses had risen to the challenge of the pandemic and should continue to be supported.

Cllr das Neves spoke about: encouraging walking to the high street as key to their success, the need to continue campaigns that attract people to the high street and encouraging the community continue to support the high street.

Cllr Barbara Blake was invited by the Mayor to speak and she spoke about the previous national activities of the opposition party and strongly challenged speeches on the assertion that the Council supported developers and referred to the activities of the national party under the coalition government.

The Leader of the Opposition interjected to ask if this was relevant to the debate.

Cllr Hinchcliffe started to make a point of order that was rejected by the Mayor.

Cllr Barbara Blake continued to refer to the Opposition party's previous role in introducing universal credit.

The Opposition Chief Whip raised a further point of order, on the content of the speech. This was not accepted by the Mayor.

Cllr Barbara Blake continued to speak about the Council's support to residents

The Mayor called on Councillor Paul Dennison to make his closing remarks on the debate.

Cllr Dennison responded to the debate noting:

- Value of businesses understood during pandemic, and questioning why not continually understood.
- There had been three scrutiny reviews since 2001 related to small businesses and no developments from these reviews.
- Learning from local business and innovate and facilitate new initiatives.
- Taking action and not wait to work in partnership.

- Apprenticeship levy - £1.6m given back to the government by the Council as have not used the levy and could have given £100k to small and medium-term bus for training purposes.

The Mayor thanked the external speakers and colleagues for participating in the debate.

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

As part of this item, the Mayor had received four deputations which he had accepted due to the timing of the community matters they related to.

Deputation 1

The Mayor had received a petition and deputation from the Irish Centre calling for Council support to resume activities at the Irish Centre for the Irish community.

The Mayor, in accordance with CSO order 12.1, accepted the petition received on resuming activities at the Irish Centre in Tottenham.

The Mayor invited Seán O'Donovan to present his deputation/ petition on the Council support to the Irish Centre. He was joined by Mary Prendergast and Joy Sullivan and Irish pensioners who welcomed the opportunity to restart the conversation around the Irish community and cultural centre. In particular, there was welcome news that the Irish Centre would be re-opening and there had been previous valuable support provided by the centre to local people for many years.

Mr O'Donovan spoke about:

- Concerns regarding the aspects of the Irish Centre that may be lost when it re-opens.
- Pleased to have a recent meeting with the Leader.
- Tradition of being a vibrant inclusive centre for all communities.
- Understood that the liquidation of the Haringey Irish cultural and community centre organisation that the centre will work in a different way. It appeared that the trustees of the previous organisation did not reach out for help at critical moments and this was regrettable.
- Urged the Council that, as the centre re-opens, the historic cultural aspects were not lost, in particular the pensioners club, tea dances and lounge bar which held charity events and brought people together.
- No organisation bringing the Irish community together since the closure of the centre and this was much needed for the wellbeing and history. Also for welcoming new arrivals.
- New organisation being compiled called 'Haringey Irish Association' and this looked forward to working with and being an active member of the voluntary sector community.
- According to the 2011 census there were 6000 Irish citizens spread out in Tottenham, Hornsey and Wood Green. Also, taking into account second and third generations, the figure was likely to be over 21000.

- History of the Irish community in Haringey and working with other communities for social justice over many decades.
- The specific health needs of the Irish community and details could be provided outside of the meeting on this.

In conclusion, the deputation welcomed a widespread dialogue to discuss all aspects around the future of the Irish Centre and wanted to make the centre relevant , sustainable and inclusive.

There were questions to the deputation from : Cllr Ibrahim, Cllr Ogiehor, Cllr Williams, Cllr Peacock, Cllr Moyeed, Cllr Barbara Blake, Cllr Bull and the following information provided by the deputation.

- Striving for Irish Centre to be sustainable so not always going to the community for grants. There could be applications to the Irish government for funding to mitigate isolation , keen that unique aspects of the Irish community centre previous provision are not lost, i.e. luncheon club.
- The deputation statement had been written with emotion as attendees had felt ignored. However, the situation had moved on with a meeting with the Council and Council Leader and as set in the presentation working with other organisations and communities. The deputation did not want to pit one community against each other.
- The deputation did not want to see this Irish community centre lost as a cultural home. There were health issues of older members to tackle and the health outcomes were worse in the Irish community and became significant beyond age of 50 onwards. The new association wanted to work on the health needs of the Irish community and welcomed the opportunity to work with the organisations and charities that work with older people to potentially provide a renewed community hub for Irish people in Haringey.
- Agreed with a Councillor suggestion of the Council maintaining the building. The deputation recognised that the Council was doing more insourcing over the last few years and referred to the potential income from external sources such as Spurs for use of parking to support the costs of running the building.
- Deputation agreed that there were mistakes made with previous entity and the entity did not seek help at the appropriate moments.
- The 'Haringey Irish Association was established to hear the voice of Irish community and highlight key issues back to the Council . The Association would be talking to more people and hoping to do activities outside of the Centre. The running of the Irish Centre was open to discussion. There was funding available from the Irish government to access and support Irish communities.
- The deputation advised that when the Irish centre closed, the group had continued dialogue with users went out and spoke with previous users to help where needed.

The Leader responded to the deputation, acknowledging the deep and rich history of the Irish community in Haringey and the role of the Irish community centre. There was re-assurance that the Council were able to continue to use the centre and the Leader had met with members of the Irish community, including Sean , Lourdes Keever and the new Haringey Irish Association and this was the start of further conversations.

The Leader of the Council provided the following update on the what was happening with the Centre:

- The Centre needed renovation refurbishment works and there was £150k allocated to enable the centre to bring communities back together with a revitalised space. There would be engagement with wide range of stakeholders ,including 'Haringey Irish Pensioner's Group.
- Some space to be allocated to the Grace organisation, an established local community group with black Caribbean origin moving from the High Road West vicinity, to provide older people's day opportunities form spring/ summer 2022. This will sit alongside other building users and promote collaboration between different organisations in the building.
- The Council will manage the spaces at the Centre and expected running costs were £100k per annum.
- The licensees of the centre, which include Irish in Britain , Irish Causeway Housing Association will continue to occupy the building which will be possible once the compliance works are complete.

The Leader thanked the deputation for coming to the meeting and hoped to continue conversations.

Mayor thanked the deputation.

Deputation 2

The second deputation was in relation to the proposed LTN at Bounds Green Area C and raised concerns about the consultation process and put forward a request for more time for residents to scrutinise the consultation paper.

Mr Brice addressed the meeting on the particular LTN concerning Bounds Green Area C. He raised the following issues:

- The legal principles of consultation and referred to the emphasis on fair consultation. This applied when consulting on a the preferred option for Bound Green Area C which was the establishment of an LTN.
- Area C was 0.25m under the lowest area for justification of an LTN under TFL's strategic analysis.
- The need to take into account local knowledge and that residents did not need to live on the particular route to provide this.
- Recognised that there is an acute problems with traffic on Durnsford Road to Bounds Green Road but other than this the small network of roads , contended that there was minimal traffic during the day.

- Petition to Cabinet showed over 90% of residents opposing the scheme and residents had compiled a proposal which would effectively eliminate the traffic issues identified in the area.
- Referred to the consultation principle of fairness contrasted with the conflicting messages to residents. The online co -design meeting had not been accessible, and Sustrans not invited Bounds Green' Resident's Association to a meeting.
- Questioned the measurements for support to the scheme, referring to the criteria that was used to assess those in favour of the LTN and the criteria applied to the opposition of the proposals which seemed inconsistent.
- No clarification that the consultation was part of multi- stage process towards an experimental traffic order for a trial period. This could easily have been explained in a paragraph in the consultation documentation.
- The consultation document did not give residents the reasonable opportunity to comment on this discrepancy and or ask for further comments as it restricted answers to the options proposed or alternatives. Response to this issue from the Council was that it would classify the responses according to a series of data. This indicated that the compilation of the data will only pick up those responses in favour of the options or alternatives and disregard any further responses.
- The deputation and residents requested deferment of the December decision on the LTN to allow residents to study the consultation and traffic data as it was now understood that this would not be ready by December and questioned how a sound decision could be made by the Cabinet.

The Mayor invited questions to the deputation and in response to questions from Cllr Carlin and Mitchell, the following was noted as responses from the deputation:

- In the view of the deputation, there was a pre-determined decision and meetings with the MP indicated that a consultation process similar to a CPZ consultation would have been more appropriate. Reservations about the questions and the responses that they are seeking to achieve.
- The petition carried out by the residents of Bounds Green area C seemed to be much better carried out than that of the Council. The deputation further contended that there was omission of options in the consultation and this was misleading, and the interaction between the Council and Sustrans was not clear to residents.

The Cabinet Member for Environment, Transport and the Climate Emergency and Deputy Leader of the Council, thanked the deputation for putting forward their concerns which were noted and responded to the deputation as follows:

- With regards to the consultation process, the Council had had unprecedented engagement over the LTN schemes in relation to any other scheme. Consulted as extensively as possible , ahead of government issued guidance which also advised that the schemes were not referendums. The purpose of the

consultations was to gather as much evidence and information about how the streets operate and the traffic flows and the general traffic issues.

- There were a series of engagements. At stage one, there were several hundred issues mentioned regarding Bounds Green Area C and at stage 2 there had been a workshop for residents to engage. Then in stage 3 there had been a public consultation stage where there were 1500 responses.
- Throughout the consultation process, there was feedback considered and refinement of plans to help develop the emerging proposals which would go to December Cabinet for decision. The report would be accompanied by a comprehensive consultation report which would help inform the decision.
- The decision making at Cabinet in December was not the end of the of the process, as this was an experimental policy and the Council will continue to consider and assess the impact of LTNs, engaging with the community and adjusting the size of the LTNs accordingly.
- The key issue was that motor traffic was the third largest source of carbon emissions in the borough. The urgency around climate change action plan was understood locally and around the world. There was a health emergency with people suffering from respiratory disease , obesity , depression and mental health issues and there was a need to do something about this.
- The Deputy Leader called the deputation to acknowledge that there is an issue with traffic in the Bounds Green area which there was a need to resolve.
- Stage 4 of the process will be based on the Cabinet decision and there will be a further phase of consultation, considering extensive data before making a final decision on the scheme.

Deputation 3

The third deputation was from Living Streets group who were in support of the LTN's in Bounds Green, St Ann's and Bruce Grove.

The Mayor called on Mr James Aufenast, accompanied by Salli Booth and Mohamed Eljaouhari, with Leonardo Guy joining online to make their representations.

Cllr Chenot declared a personal and non prejudicial interest as she lived in the Bounds Green LTN area.

Sally Booth spoke in support of the LTN trials in Bounds Green, and was Chair of The 14% campaign group which was for the voices of disabled people to be heard. She outlined the following:

- Objection to some of the anti LTN groups claiming to speak on behalf of the disabled people in the area and being against the LTN.
- Disabled people not being against LTN's and she represented Bounds Green residents wanting to try the LTN as there were a large number of speeding vehicles in the residential area. There was need to regularise and make the area safer for residents crossing the road, and allow children to play safely in their neighbourhood.

Leonardo Guy spoke in support of the Bruce Grove LTN and the everyday situations of cars speeding up residential roads and walking to school while feeling unsafe with this situation.

Mohamed Eljaouhari, spoke in support of the St Ann's CPZ and said there were 250 residents in support of the scheme. He spoke about the impact of traffic on everyday life when walking his children to school and crossing roads. It was not safe in the area with speeding traffic and a cyclist was recently hit by a car, near his home.

In particular St Ann's ward area was used as short cut by many cars. The proposed LTN would give the opportunity to residents to experience less cars, less pollution and provide the chance to tackle the climate emergency whilst helping the neighbourhood.

He felt that there was an opportunity to genuinely improve the wellbeing for residents by making a change and recognised that this would not happen overnight but was essential to start now and urged support for LTN's in Haringey.

There were questions to the deputation from Cllr Brabazon, Cllr Mitchell, Cllr das Neves, Cllr Adje, Cllr White and the following noted:

- The deputation had a good experience of working with the Council during the consultation process and the key issue was continuing that behaviour , interaction , responding to questions , monitoring and reporting back to the resident's on how the scheme was progressing, whilst reflecting and also improving the scheme as it progresses.
- The deputation spoke about his knowledge of other LTN's in London and had not seen the significant sea of traffic expected. Although, there were some exceptions with some specific roads not coping well but there were also some good examples with data in Hackney where the road traffic went down. The LTN's provided opportunity to reduce traffic.
- Hope to see improvement to local businesses, within the boundaries of the LTN, less through traffic and more cycle journeys could have good impact throughout the year and not just in the summer.
- Good to start with the areas with most traffic, schools and pollution.

Cllr Hakata, Deputy Leader, responded , thanking the deputation for supporting the programme and scheme. He welcomed Salli Booth's comments and noted that the Council takes seriously engaging with disabled people and their carers and had engaged with disability groups.

He welcomed the experience shared by Leonardo and the disproportionate impact of motor traffic on vulnerable road users.

It was important that the Council follow the Cycling Action plan and roll out 25 LTN's over the coming years. He hoped the first three would start this programme.

It was vital to start delivering on promises to local people for improvements to traffic reducing pollution and providing safer neighbourhoods.

There was a pause for Cllr Diakides and Cllr Hakata as they left the room at 9.40pm

Deputation 4.

The 4th deputation was from Tania Inowlocki and Dr Rembrandt Koppelaar who were asking for a pause of the procurement process and to commission an independent review of the North London Waste Authority's plans to build an energy-from-waste incinerator in Edmonton.

The deputation outlined that the North London Waste Authority would make a critical decision on Thursday 16th of December to agree the contractor who will build an energy from waste incinerator in Edmonton.

The deputation called on the Cabinet Member councillors, representing Haringey, to not agree this contract until the Council had conducted due diligence on whether the Edmonton incinerator represented value for money and was compatible with the values of the Climate Emergency Action Plan.

The NLWA had contended that they had considered all the alternatives and the incinerator was the best option for treating waste. However, the deputation advised that the NLWA had not evaluated all the range of technologies available to support mixed recycling. This technology had already been developed and could be used to significantly reduce carbon emissions compared to the incineration of waste which will also have a significant cost.

The deputation outlined that the NLWA had contended that mixed residual waste recycling was underperforming and not reaching required targets, but they were referring to outdated older facilities. There had been developments over the last three years which provided mixed use residual sorting and recycling options. This type of facility was already available in Norway and provided a range of sorting of material such as plastic and paper to effectively provide a good 70% recycling output and 30 % textiles which could be used for fuel. This system was essential in getting plastics out of the system.

Cllr Ogiehor moved CSO14 (j) in order to move to the next business and moved CSO 14(c) also vary the agenda so that item Motion D is discussed before Motion C - Cllr Dixon seconded.

The Monitoring Officer advised that there would need to be a vote on the procedural motions put forward.

The Mayor also advised that there were two procedural motions being put and each would need to be voted on separately.

The first motion to move to the next item of business, CSO 14 (j) proposed by Cllr Ogiehor and seconded by Cllr Dixon. This was voted on with - 14 For and 26 Against and this procedural motion was LOST.

There was a further proposal from Cllr Ogiehor CSO 14(c) to vary the agenda and take item 15[Motion D] before item 15[Motion C]. This was seconded by Cllr Dixon.

There was a vote with 14 in favour and 26 Against. This procedural motion was LOST.

The Mayor continued to call for questions to be put to the deputation.

In response to a question from Cllr Palmer, the deputation asked the Mayor to take questions offline and move to Motion D. In response the Mayor advised that the deputation were not able to request this.

Cllr Tucker asked the deputation if they were aware of the strength of feeling in the Labour movement in relation to pause and review. In response, the deputation advised they were aware of CLP support and Mayoral communications indicating support.

The Mayor advised that as it was now 10pm there was a need to consider CSO 8.1 that Council meetings should at end at 10pm but as Mayor he had the discretion to allow completion of the item in hand and asked the Leader of the Council to respond to the deputation.

It was noted the oral questions would be responded to in writing and the Motions would fall and could be resubmitted to the next meeting.

The Leader continued to respond to the deputation outlining, that the Council did understand the strength of feeling among residents on this local issue and would commit to working with other London Boroughs to set up a forum. This would work with local communities to discuss the future of waste disposal and focus on the concerns regarding the Edmonton facility and methods for increasing recycling rates.

It was important to understand the issues around the proposals for the new incinerator and note that here were experts on the issue of waste disposal in the meeting and joining online. She outlined that waste had to go somewhere and the existing incinerator had been serving north London for over 45 years and was 20 years out of date. There was a need to ensure that the best possible technology was in place to protect residents living close to a facility which was already out of date.

There was assurance provided that the latest technology would be used to ensure it was the cleanest incinerator in the world. It would include a selective catalytic reduction technology to reduce the levels of nitrogen oxide released.

The Leader concluded by advising that there were three main alternatives to an incinerator which were significantly worse for the environment. This was ocean dumping, landfill and exporting waste.

The Leader appreciated concerns and need to work with residents and activists to discuss concerns and work together on solutions.

The meeting closed at 10.05pm.

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

As set out in item 44.

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

As set out in item 44.

CHAIR:

Signed by Chair

Date

MINUTES OF MEETING Full Council HELD ON Monday, 10th January, 2022, 6.45-7pm

PRESENT:

Councillors: Peray Ahmet, Dhiren Basu, Zena Brabazon, Luke Cawley-Harrison, Julie Davies, Erdal Dogan, Ruth Gordon, Emine Ibrahim, Adam Jogee (Mayor), Peter Mitchell, Liz Morris, Tammy Palmer, Sheila Peacock, Reg Rice, Viv Ross, Yvonne Say and Sarah Williams

47. FILMING AT MEETINGS

The Mayor welcomed attendees to the extraordinary meeting of Full Council at Tottenham Green Leisure Centre. He continued to set out the protocol for filming at meetings and provided information on the covid safety measures in place. This was noted by attendees.

48. TO RECEIVE APOLOGIES FOR ABSENCE

The Chief Executive announced that due to the rising Covid infection rates, the political group leaders had agreed to a quorum only meeting and the following councillors provided apologies:

Cllr Adamou

Cllr Adje

Cllr James

Cllr Chiriyankandath

Cllr Moyeed

Cllr B Blake

Cllr M Blake

Cllr Ejiofor

Cllr Opoku

Cllr White

Cllr Gunes

Cllr Tabois

Cllr Amin

Cllr Bevan
Cllr Carroll
Cllr Chandwani
Cllr Demir
Cllr Carlin
Cllr Weston
Cllr Hakata
Cllr Adje
Cllr Bull
Cllr Stennett
Cllr James
Cllr da Costa
Cllr Dixon
Cllr Rossetti
Cllr Chenot
Cllr Hinchcliffe
Cllr Barnes
Cllr Berryman
Cllr Dennison
Cllr Hare
Cllr Connor
Cllr Emery
Cllr Ogiehor
Cllr Culverwell
Cllr Hearn
Cllr Stone
Cllr das Neves
Cllr Diakides
Cllr Tucker

49. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

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

There were no deputations relating to the item on the agenda.

51. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

Cllr Basu, Chair of the Staffing and Remuneration Committee moved the report and recommendations and it was:

RESOLVED

To approve the appointment of Andy Donald to the to the post of Chief Executive and Head of Paid Service as outlined in the attached report.

The Mayor, Leader of the Council, and the Leader of the Opposition, welcomed Andy Donald to Haringey Council.

There were speeches of thanks and appreciation to the outgoing Chief Executive, Zina Etheridge, from the Leader of the Council, Leader of the Opposition, Cllr Mitchell, Cllr Morris, Cllr Gordon, Cllr Dogan, and Cllr Williams.

They spoke about the outgoing Chief Executive's :

- contribution to the borough,
- operational leadership of the Council,
- personal support to councillors,
- wider leadership role in London,
- changes and modernisation of services,
- leadership response to pandemic in the last two years where there were unprecedented challenges,
- support to staff and vulnerable residents,
- direct support for the members,
- strong LGBT plus community ally,
- delivery and management of services,
- visits to wards,
- role as an excellent public servant,
- leadership of the recovery agenda,
- managed significant food provision operation in the lockdown,
- dedication and commitment to local communities,
- improvements to Children's services and having social workers in schools
- establishment of in - house team for building homes,
- maintenance of all green flags in parks.

The Mayor made the closing speech, and thanked Zina Etheridge for her service to the community and presented her with a small gift of a shield of the London Borough of Haringey.

There was a round of applause.

The Chief Executive responded to the speeches, expressing that Haringey was an amazing place, with an amazing staff base and the achievements over the last 8 years had been a collective one.

She wished the Council all the best in continuing to improve the borough for residents.

CHAIR:

Signed by Chair

Date

MINUTES OF MEETING Full Council HELD ON Monday, 17th January, 2022, 7.30pm – 7.35pm.

PRESENT:

Councillors: Peray Ahmet, Dawn Barnes, Patrick Berryman, John Bevan, Barbara Blake, Zena Brabazon, Dana Carlin, Luke Cawley-Harrison, Sakina Chenot, Pippa Connor, Eldridge Culverwell, Nick da Costa, Lucia das Neves, Julie Davies, Paul Dennison, Josh Dixon, Erdal Dogan, Scott Emery, Ruth Gordon, Makbule Gunes, Bob Hare, Justin Hinchcliffe, Emine Ibrahim, Adam Jogee (Mayor), Peter Mitchell, Liz Morris, Julia Ogiehor, Tammy Palmer, Sheila Peacock, Reg Rice, Viv Ross, Alessandra Rossetti, Yvonne Say, Noah Tucker, Matt White and Sarah Williams

52. FILMING AT MEETINGS

The Mayor referred to the notice of filming at meetings set out at agenda item 1 and the meeting noted this information.

53. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were from:

Cllr Adamou

Cllr Adje

Cllr Amin

Cllr Basu

Cllr M Blake

Cllr Bull

Cllr Carroll

Cllr Chiriyankandath

Cllr Demir

Cllr Diakides

Cllr Hakata

Cllr Hearn

Cllr James

Cllr Moyeed

Cllr Opoku

Cllr Stennett

Cllr Stone
Cllr Tabois
Cllr Weston

54. DECLARATIONS OF INTEREST

There were no declarations of interest.

55. TO MAKE APPOINTMENTS TO COUNCIL COMMITTEES

Following the appointment of Cllr Dogan to the Cabinet as Cabinet Member for Stronger and Safer Communities there were Labour Group vacancies on the membership of the Corporate Committee and Standards Committee.

The Chief Whip moved the report and it was:

RESOLVED

1. That Councillor Barbara Blake be appointed to the Corporate Committee as Vice Chair.
2. That Cllr Peter Mitchell is appointed to the Standards Committee.

CHAIR:

Signed by Chair

Date

MINUTES OF MEETING Full Council HELD ON Monday, 17th January, 2022. – 7.35pm

PRESENT:

Councillors: Peray Ahmet, Dawn Barnes, Patrick Berryman, John Bevan, Barbara Blake, Zena Brabazon, Dana Carlin, Luke Cawley-Harrison, Sakina Chenot, Pippa Connor, Eldridge Culverwell, Nick da Costa, Lucia das Neves, Julie Davies, Paul Dennison, Josh Dixon, Erdal Dogan, Scott Emery, Ruth Gordon, Makbule Gunes, Bob Hare, Justin Hinchcliffe, Emine Ibrahim, Adam Jogee (Mayor), Peter Mitchell, Liz Morris, Julia Ogiehor, Tammy Palmer, Sheila Peacock, Reg Rice, Viv Ross, Alessandra Rossetti, Yvonne Say, Noah Tucker, Matt White and Sarah Williams

56. FILMING AT MEETINGS

The Mayor referred to the notice of filming at meetings set out at agenda item 1 and the meeting noted this information.

57. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were from:

Cllr Adamou

Cllr Adje

Cllr Amin

Cllr Basu

Cllr M Blake

Cllr Bull

Cllr Carroll

Cllr Chiriyankandath

Cllr Demir

Cllr Diakides

Cllr Hakata

Cllr Hearn

Cllr James

Cllr Moyeed

Cllr Opoku

Cllr Stennett

Cllr Stone

Cllr Tabois
Cllr Weston

58. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

59. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND, IF APPROVED, TO RECEIVE THEM

There were no deputations in relation to the agenda item.

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

The Mayor called on Cllr Emery to propose Motion E.

Cllr Emery spoke about residents living in severe deprivation in North East London between Enfield and Haringey. These residents were socio -economically disadvantaged and had much higher health issues and faced health inequalities made much worse due to the levels of pollution. Cllr Emery contended that this was not a good area to have a waste incinerator and would cause long term harm to local residents. He spoke about the commitments made to manage the new incinerator emissions and protection of local residents and referred to a similar incinerator plant in Copenhagen which now imported waste from hundreds of miles to make the site financially viable and felt that this issue will be faced here and the capacity of the incinerator being built was an indication of this. There seemed to be no consideration of a future reduction in waste being given and whether this plant would be needed given the commitments being made in the Climate Action Plan.

Cllr Emery felt that the promised modern efficient facilities to enable reduction in nitrous oxide were a distraction and there would likely be burning of plastic with waste which would increase air pollution in the local area. This would be further exacerbated with the increase in vehicles in the area, bringing waste to the plant.

He challenged the decision to build an incinerator in one of the poorest parts of London and referred to local residents also being opposition to this new plant. Cllr Emery referred to other voices speaking against the incinerator and advocating better recycling, electricity and gas generated through wind and heat pumps.

He concluded by urging councillors to consider that a better future was through waste reduction , rather than building an expensive incinerator which could be unused in future years.

Cllr Palmer seconded the motion, outlining that climate change was a social issue and making a continued case about fairness. The poorest communities suffered from climate change. She referred to 28 waste incinerators being located in 20% of the most deprived and ethnically diverse areas in the UK.

Cllr Palmer spoke about the decision-making power of the administration and their responsibility in relation to this social justice issue. She challenged the administration's record for responding to this local issue when the Council had committed to the Climate Change Action Plan.

The Mayor had received an amendment to this motion and called on the Leader of the Council to move the amendment.

The Leader of the Council spoke about the administration making sure the new incinerator plant was safe for local residents and outlined that she had twice written to the North London Waste Authority. This was to firstly ask for a pause and review and a second time to urge for use of greener technology and ambitious recycling initiatives for Haringey. She emphasised that Cabinet colleagues on the North London Waste Authority Board had decided not to vote for award of this contract and many Labour colleagues has been working closely with campaigners on this local issue.

The amendments to the motion seek to intend that the meeting has a focus to formally note the Council's commitment to holding the facility to the highest environmental standards. The administration would campaign for the NLWA to accelerate carbon capture and prepared to the storage element of the plant and to reduce carbon emissions.

The Leader continued to outline:

- the need to boost low recycling rates in the borough and London,
- involving all residents in the green economy,
- neighbourhood recycling strategies reflecting local circumstances,
- co-producing a new joint waste management strategy,
- protecting the local community around Edmonton, and a campaign to stop using plastics.

The Leader of the Council was committed to holding the NLWA to account and working with residents to build a greener and fairer Haringey.

Cllr Ibrahim seconded the amendment to Motion E, outlining the alternatives involved and the important issues being considered for the future of the planet. She spoke about the Beddington incinerator in Sutton and the local opposition to this and the residents' concerns in Edmonton about their health and the health of their children.

She spoke about climate emergency and how the Council had not supported the incinerator and highlighted the Council's commitment to regional recycling targets and questioned why carbon capture was not being built into the storage facilities of the new plant.

She concluded by calling for the review of democratic arrangements that created the North London Waste Authority and had caused local people to feel that they do not have a say in this key local issue.

The Mayor opened the debate.

Cllr Rossetti spoke about the All Parliamentary Group report and that the emerging evidence was not supporting the increase in incineration in London. She called for pause and reflection to not allow excess capacity to drive burning of waste. She

welcomed the Leader's letter to the NLWA, calling for a pause and review, but felt that the motion stepped back from this and called for further discussions with local groups and NLWA to find an alternative solution to the incinerator and not just take forward recycling initiatives. There were alternatives which were outlined by the deputation at the November Council meeting as well as taking forward improvements locally to recycling rates.

Cllr Carlin spoke about the Council standing up to the North London Waste Authority and Haringey members of the board not supporting the incinerator plan. There were concerns about the measures to reduce emissions and commitments made by the Leader of the Council which were important for working with other London authorities to: have mitigation measures, hold the NLWA to account, and do more with recycling, ensuring that minimum waste going to the incinerator .

Cllr Ross referred to All Parliamentary Group's expert and medical associated membership who had called for a moratorium on expansion of incinerators and for there to be a stop of the burning of recyclable waste. He referred to local politicians and North London stakeholders who had asked for to pause and review. He highlighted that the decisions were being taken forward by councillors of other London boroughs and who will not be affected by the emissions and called for the motion to be agreed unamended.

Cllr Williams spoke about the accumulated waste produced by the seven London boroughs and spoke about landfill producing carbon which is harmful and reflecting that many councillors had researched the matter seriously and knew the issues. She accepted that recycling rates were reducing and pandemic had caused an expansion in waste and there were real problems to face that affected residents and children. She felt that it was important to reduce waste and this was not just by recycling more but taking responsibility which the Haringey members of the NLWA had done.

Cllr Hinchcliffe reflected on the protests against the incinerator decision which should have given the NLWA pause for thought. This also showed that there had been little done to assure local communities and more effort given by the NLWA to informing and assuring the north London council councillors to support the decision. He referred to incineration having more of a hazardous environmental impact than landfill. He spoke about the emissions from heavy vehicles to the plant, causing more air pollution to local residents and that residents had not heard of any mitigation for these eventualities. Cllr Hinchcliffe continued to speak about the permanent damage caused by harmful pollutants to children and living near main roads and densely populated areas.

Cllr Berryman reflected on the significant increases in household waste and that recycling rates had dropped. There was a need to assess where 2 million resident's waste was going to be disposed and supported holding the meeting to consider this issue. The motion was not supported and concerns should be highlighted that the incinerator should not burn other Council's waste.

Cllr White reflected that the main argument for the increased capacity of the incinerator was to be able to contend with increased non-recyclable waste which may last many decades. This was felt to be too passive an approach and with better

sorting of waste the amount of recycling would increase and less waste needed in the incinerator. He spoke about the Council coming up with better ways of helping to sort rubbish and achieve higher recycling of waste instead of assigning this responsibility to residents. There was a need to invest in technology and unionised staff to support sorting of waste together with a campaign for manufacturers to use recycled or composed materials for packaging. These actions would help to reduce non-recyclable waste to nearly zero . It was necessary to address the climate emergency and a better way forward than estimating on failure to not meet recycling rates whilst improving an incinerator with a lifespan of 50 to 70 years.

Cllr White spoke further about the democratic oversight and disconnect of the NLWA and referred to their activities on burning waste at a profit to sell energy produced to the electric grid and need to be able to make local strategic decisions to meet the actions to respond to the climate emergency.

Cllr Emery, responded to the debate and set out the following:

- All councillors in the meeting had the power to make a difference and vote in favour of the motion, unamended, to continue the campaign against the incinerator.
- Important to vote on this issue and although noting that the 2 voting members of Haringey had voted against the incinerator, this had not been reflected in their comments during the debate at the NLWA meeting.
- Questioned consistency of arguments between Beddington and Edmonton incinerators.
- Many groups do not want the incinerator.
- Pause and review means voting in favour of the motion unamended.
- Closeness of Northumberland Park residents to the incinerator and the likely plume of pollution.
- Recycling less was the borough's failure
- Deputation taken to the NLWA and disregarding behaviour of the chair to the issues raised.
- Hoped that the issue of capping any other waste from other boroughs being incinerated is taken forward.
- Need to listen to wide range of voices, including medical professionals about their concerns for increasing incinerator capacity and health impact of pollution.
- Noted no mixed recycling facility currently at Edmonton.

There was a vote on the amendment to motion put forward by the Leader of the Council and seconded by Councillor Ibrahim.

20 in favour

15 against

1 abstention

The amendment to the motion was AGREED.

Before moving to a vote on the substantive motion, and in accordance with CSO15.8 (e) Cllr Emery proposed a further amendment to the amended motion. After further considering the Labour amendment there was felt to be a lot of good issues raised such as efforts to improve recycling rates, the joint waste strategy from the NLWA and further air quality monitoring. However, he proposed that there must be a fixed position on a pause and review. The further amendment allowed for the additions made by the first amendment by the Leader and Cllr Ibrahim but in addition allowed the Council to formally request to pause and review before going ahead with the incinerator.

Cllr Palmer seconded the further amendment put forward, adding that as a local resident she had not been consulted on the incinerator and administration had until recently been silent on this issue.

The Mayor paused the meeting to allow the second amendment to be circulated and read by councillors.

A named vote was requested with 8 councillors standing in their place.

In response to Cllr Rice's query, there was to be a named vote on the second amendment put forward and no debate.

Cllr Peacock was provided with the amendments to the motion.

Cllr Davies was concerned that the second amendment put forward still deleted parts of the 1st amendment, just agreed, and needed further time to read through the length of the amendments to feel confident on voting on this. She sought advice from the Monitoring Officer if it was possible to move changes to an amendment to a motion just passed.

The Mayor clarified that the substantive motion had not yet been voted on and CSO15.8(e) and 15.12 (b) allowed further amendment to be put. If the further amendments were not agreed with then the response was to vote this down.

Cllr Ibrahim queried whether parts of the motion which had just been amended could be altered and voted on again.

Cllr Ogiehor – commented that the amendments were clearly set out in track changes in the tabled paper.

The Monitoring Officer responded that the Council should proceed to vote on the further amendments as the substantive motion had not been voted upon. If these further amendments were not agreed with then the Council would proceed to vote on the first amended motion as the substantive motion as set out by the Mayor.

The Chief Whip sought further clarification and the Monitoring Officer outlined that 15.8 (e) allows for further amendments to be put the motion. Again as the meeting had not voted on the substantial motion, this was allowed.

The Mayor interrupted the Leader and Cllr Ogiehor and asked for a vote on the second amendment moved by Cllr Emery and seconded by Cllr Palmer.

There were 15 in favour of amendment Councillors: Barnes, Cawley – Harrison, Chenot, Connor, da Costa, Dennison , Dixon, Emery, Hare, Hinchcliffe, Morris, Ogiehor, Palmer, Ross and Rossetti.

There were 20 against - Councillors: Ahmet, Berryman, Bevan, B Blake, Brabazon, Carlin, das Neves, Davies, Dogan, Gordon, Gunes, Ibrahim, Mitchell, Peacock, Rice, Tucker, White, Say, Williams and Jogee.

1 abstention, Councillor Culverwell

The second amendment to MOTION E was LOST.

The Mayor continued to seek a vote on the substantive motion as first amended by Cllr Ahmet and Cllr Ibrahim.

20 were in Favour

15 Against

1 abstention

Motion E as amended was AGREED.

Motion E

Work with the NLWA and our communities to ensure the Edmonton Energy Recovery Facility meets the highest environmental standards

Proposer: Councillor Peray Ahmet

Seconder: Councillor Emine Ibrahim

Council notes that:

- Haringey has declared a Climate Emergency, and has committed to becoming net-zero carbon by 2041;
- There has been some initial engagement with residents by the Council and the North London Waste Authority (NLWA), including a formal consultation in 2015, a community roadshow in St Anne's library in November 2021, and a roundtable with environmental campaigners in December 2021;
- The North London Heat and Power Project, including the new energy recovery facility (ERF) and new recycling infrastructure will cost £1.22bn (in line with the programme budget). Haringey and the other boroughs will pay for this through the annual levy which is expected to increase to pay for the modern, better facilities. Residents will therefore rightly expect thorough and transparent fiscal accountability; There have been feasibility-planning, design and business case work undertaken on the inclusion of Carbon Capture Use and Storage. The NLWA has put forward a timeline for the inclusion of the technology which states it can be implemented by mid-2030s;
- In 2020/21, Haringey had a recycling rate of just 31.2%, down from 37.4% in 2014/15, which is unsustainably low;

- The London Assembly noted in February 2018 that incinerators can negatively affect long-term recycling rates, but Haringey is strongly committed to, at the very minimum, meeting the Mayor of London's 50% local authority recycling rate by 2030;
- 10,000 premature deaths are already linked to poor air quality each year in London, and 98% of the city's schools are in areas where air pollution exceeds World Health Organisation limits;
- Studies show that continued exposure to excessive levels of air pollution stunts lung growth in children and worsens chronic diseases. Evidence on the links between incineration and birth outcomes is inconclusive and requires further study. Emissions from the new Edmonton plant will be far lower than those from plants considered in recent studies, as well as much lower than the plant that is currently in place;
- The immediate community surrounding the Edmonton site live in one of the most deprived wards in Enfield, with a large Black Asian and Minority Ethnic population who are already more likely to suffer poorer than average health outcomes due to a number of socioeconomic disadvantages and systemic inequality. This is compounded by proximity to the North Circular (A406), which has one of the highest levels of air pollution in the country;

The Leader of Haringey Council wrote to the NLWA to request they consider a pause and review of the project in order to investigate the possibility of implementing Carbon Capture technology sooner, and to work more closely with the council and Haringey residents to improve local recycling rates and create a more circular economy. Council believes that:

- Industrialised nations like the United Kingdom have a responsibility to reduce their carbon emissions more drastically than developing countries;
- There is no current good alternative to burning non-recyclable waste at the volumes North London produces;
- The future of our country must rely on a circular economy, with an increased focus on reducing waste and increasing recycling; it is Haringey's ambition to, at a minimum, meet the Mayor of London's target of 65% municipal recycling rate and 50% local authority recycling rate by 2030;
- The Council continues to work with the NLWA and trade unions to ensure that the socioeconomic and environmental benefits of the scheme are successful. This includes good local jobs and apprenticeships; the Energy from Waste generated by the plant which will supply heat and electricity to local homes and be part of our move away from burning fossil fuels; and new and improved recycling facilities.

Council resolves to:

- Continue to insist that the NLWA accelerate the Carbon Capture and Storage element of the plans, and lobby other boroughs to do the same;
- In line with the letter sent by the Leader of the Council to the NLWA on 17 January 2022, to work with the NLWA and other relevant parties to ensure the following:

- That the NLWA work proactively with elected members and residents of the boroughs to convene a recycling working group and develop a neighbourhood recycling strategy, the aims of which will be to help Haringey reach the Mayor of London's recycling target of 65% municipal recycling rate and 50% local authority recycling rate by 2030;
- That the NLWA provide funding to further the aims of the hyper-local schemes devised by the working group, as well as other local non-profit organisations aimed at increasing recycling rates;
- That the NLWA work with Councils and residents to develop and implement a new Joint Waste Management Strategy for North London which produces a less waste, more circular reuse and recycling programme which minimises the amount of waste we produce whilst maximising the amount we recycle;
- That the NLWA set up a framework for co-producing an updated Waste Reduction and Recycling Plan;
- That the NLWA work with the Council to continue to ensure the maximisation of the social value (i.e. good jobs and apprenticeships) and value for money for Haringey residents;
- That the NLWA work with the council to address the concerns of the immediate community, monitor any impact that the plant (including its construction) may have on the quality of life of the residents, and undertake a significant greening strategy that will improve the lives of the residents, whose quality of life is already heavily impacted by living near to the A406;
- That the NLWA work with the Council and other authorities to run a specific campaign aimed at dramatically reducing the sale and use of plastic packaging.
- Begin a conversation across London Local Government on methods to address the democratic and accountability challenges presented by the historic establishment of the waste authority arrangements that followed the abolition of the Greater London Council.

CHAIR:

Signed by Chair

Date

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Report for: Full Council 1 March 2022

Title: Review of Council Tax Reduction Scheme Administration for 2022/23

Report authorised by: Jon Warlow, Director of Finance – Chief Financial Officer and Section 151 Officer

Lead Officer: David Graaff, Head of Service Delivery

Ward(s) affected: All wards

Report for Key/Non-Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1 This report summarises the process and content of proposed changes to the administration and policy of the Haringey Council Tax Reduction Scheme (CTRS) to be introduced in 2022/2023. The report sets out a series of options to amend the current scheme, with a preferred option recommended. It also sets out the results of the consultation process undertaken.
2. Cabinet Member Introduction: Cllr Chandwani, Cabinet Member for Customer Service, Welfare and The Public Realm
- 2.1 Since the decision by the Government to abolish Council Tax Benefit in 2013, we recognise there has been a significant financial burden on many of the lowest income households in Haringey.
- 2.2 Despite the significant cut to funding from Central Government, Haringey has designed a generous CTRS scheme which increased the maximum protection to disabled claimants and working age claimants with children to that already given to pensioners. This means that these groups continue to receive the same level of support as they did prior to the abolition of Council Tax Benefit.
- 2.3 The changes proposed in this report will improve the way the CTRS works for residents, will make the scheme simpler to communicate and claim, and provide stability to those getting CTRS so that they can more easily pay their Council Tax.
- 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

- 3.1 The Council notes that a public consultation has been carried out (see Appendix 1 and Appendix 2) and its findings incorporated into the Equality Impact Assessment (Appendix 3).

3.2 The Council agrees to adopt the amended Council Tax Reduction Scheme 2022/23 (Appendix 5). This would include the following proposed changes:

3.2.1 Simplifying the claims process by adding a new channel for residents on Universal Credit to claim council tax reduction automatically as set out in paragraph 4.3.1

3.2.2 Stabilising entitlement for residents by simplifying what happens when a working age resident's income changes by a small amount during the financial year as set out in paragraph 4.3.2.

3.2.3 Extending the period for backdating council tax support for working age residents to up to 12 months to allow more time for residents to claim as set out in paragraph 4.3.3.

3.3 Authority is 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 CTRS is a way the Council can redistribute the financial burden on Council Taxpayers and provide additional support to those in financial need.

4.2 It is important that the CTRS is simple and easy to claim to maximise uptake and reduce the burden on residents. A scheme that is easy to access can help residents to minimise debt, assist household budgeting, and increase the ability to pay council tax.

4.3 The proposed amendments would have the following benefits:

4.3.1 **Simplifying the claims process.** The proposed change is to add an additional way for residents to claim CTRS automatically when they start receiving Universal Credit. This will have a positive effect because it will simplify claiming for most residents and reduce the difficulty and anxiety for residents who claim Universal Credit. It will also ensure that as many people as possible claim the support to which they are entitled.

4.3.2 **Stabilising entitlement for residents.** The proposed change is to simplify what happens when a resident's income changes by a small amount. This will have a positive effect because constant changes in a council tax bill can make household budgeting difficult for residents as well as imposing a significant and costly administrative burden on the council.

4.3.3 **Extending the period for back-dating claims for working age claimants.** The proposed change is to extend the period an award of CTRS can be backdated from six months to twelve months. This will have a positive effect because it will mean the award can be backdated to the start of a Council Tax liability where the Council Tax liability has itself been backdated.

- 4.3.4 It is also proposed to **promote better understanding of the CTRS** by publishing an additional explanatory note written in plain English. The current regulations are complex and run to 214 pages. It is not proposed to re-write the CTRS entirely as it is recognised that, although complex, the existing CTRS nevertheless contains important technical details. Providing an additional explanatory note in addition to the published scheme will make it easier to understand and help to improve transparency and uptake. This informal guide, written in Plain English has no legal status and it is purely intended to operate as a guide to aid understanding. It is not proposed to re-write the CTRS entirely as it is recognised that, although complex, the existing CTRS nevertheless contains important technical details.
- 4.4 These changes predominantly relate to the simplification of the administration of the scheme and maximise uptake. The council is not seeking to change the generosity of the current scheme or to change the maximum entitlement awarded since 2019.
- 4.5 The affordability to the Council of the CTRS scheme continues to be an important consideration, balanced with the need to support as many residents as possible. The changes will reduce the number of transactions that the council must administer.
- 4.6 The Council is obliged to consider whether to revise or replace its CTRS each year. However, it is not obliged to revise or replace it. If any revision or replacement is to be made, the Council must follow the consultation process set out in the legislation and the decision must be made by Full Council.
- 4.7 At the Cabinet meeting held on 22 July 2021 Cabinet resolved to agree to consult on the following changes to the existing Council Tax Reduction Scheme:
- 4.7.1 Simplifying the claims process by adding a new channel for residents on Universal Credit to claim council tax reduction automatically
 - 4.7.2 Stabilising entitlement for residents by simplifying what happens when a resident's income changes by a small amount during the financial year
 - 4.7.3 Simplifying the scheme by changing the way that council tax support can be backdated to allow more time for residents' claims to be backdated
 - 4.7.4 Simplifying the scheme through improved transparency by publishing a revised statement of the scheme written in plain English
- 4.8 A draft CTRS was published, and a public consultation has been carried out.
- 4.9 The Council has consulted formally with the Greater London Authority ("GLA"), and the result of the consultation is that the GLA supports the proposed changes. The letter from the GLA is included at Appendix 2.

5. Alternative options considered

- 5.1 There are a range of ways that the council could alter its CTRS. The Council updated its CTRS policy in 2019/2020 which included providing more financial support to working age claimants with children. The council is not seeking to

reduce or increase the generosity of the current scheme or to change the maximum entitlement awarded since 2019. Reducing the generosity would add to the financial burden of those currently deemed to be in financial need. Increasing the generosity of the claim would result in a significant ongoing additional cost to the Council's budget each year and so is not currently considered to be financial sustainable. Instead, the council has explored a variety of options to make the scheme simpler to administer and to assist in reaching everyone who is entitled to support.

5.2 No change to the existing CTRS

This is not recommended because amending the scheme will help residents to access the support to which they are entitled, improve their experience, and reduce the administrative burden on the Council.

5.3 Do not simplify the claims process.

This is not recommended because simplifying the claims process to introduce an automatic claims channel for those on Universal Credit will improve uptake of council tax support and improve the experience for residents. It will also improve access to the scheme for those for whom, for a variety of reasons, such as digital exclusion or language barriers, may struggle to access it.

5.4 Make a single annual award to residents without an earnings threshold

One alternative to our proposed way of stabilising entitlement for residents would be to introduce a single annual award for residents with no income threshold. This means that the award would only be reassessed during the year if residents moved between legacy benefits and Universal Credit or changed work status. This approach is not recommended because it would lead to a greater variation in levels of support provided for residents where a key goal is to maintain the current level of (generous) support as far as possible. The additional cost of this scheme is estimated at £458,000 annually. Increasing the generosity of the claim would result in a significant ongoing additional cost to the Council's budget each year and so is not currently considered to be financial sustainable.

5.5 Do not extend the period for backdating claims for working age claimants

It would be possible to not change backdating rules to allow claimants to back-date claims by up to 12 months rather than the current 6 months. However, reducing backdating restrictions is likely to improve resident's experiences, reduce complaints and appeals, and remove barriers to the take-up of the scheme.

5.6 Do not publish a plain English guide to the Scheme

It would be possible to not provide an additional explanatory note in addition to the published scheme; however, this should make it easier to understand and help to improve transparency and uptake.

6. Background Information

- 6.1 Haringey Council has a Council Tax Reduction Scheme to provide support to residents who need help to pay their Council Tax.
- 6.2 As part of the government's welfare reforms, responsibility for setting Council Tax support was devolved to Local Authorities. Council Tax Benefit was abolished and replaced with locally managed Council Tax Reduction Schemes from 1 April 2013. Nationally, CTRS had 10% less government funding than the previous Council Tax Benefit. There was a mandate to protect pensioners from any changes.
- 6.3 The Council must consider whether to revise or replace its CTRS for each financial year but does not actually have to revise or replace it and can choose to make no changes.
- 6.4 If any revision or replacement is proposed, the Council must follow the consultation process set out in the legislation and changes must be made by 11 March, to take effect from 1 April. The final decision must be made by Full Council before 11th March 2022.
- 6.5 Following a consultation process in 2018, the CTRS scheme was made more generous for 2019/20 to increase the maximum level of support given to working age claimants with children from 80.2% to 100%. The current scheme is one of the more generous in London.
- 6.6 The CTRS reduces the level of council tax which the Council and the GLA collect from Haringey residents. The current cost of CTRS is £32m. The Council's budget has assumed a 15% increase in claimants since the start of the pandemic (6% in 2020/21 and 9% in 2021/22). Of the £32m current cost, £10m relates to CTRS awards to pensioners, over which the Council has no discretion.

Preferred Option

- 6.7 The preferred option is a combination of:
 - 6.7.1 Simplifying the claims process by adding a new channel for residents on Universal Credit to claim council tax support automatically.
 - 6.7.2 Stabilising entitlement for working age residents by simplifying what happens when a resident's entitlement changes by a small amount during the financial year.
 - 6.7.3 Extending the period for back-dating claims for working age claimants.
 - 6.7.4 Improving transparency by publishing a simplified explanation of the scheme written in plain English.

Simplifying the claims process

- 6.8 It is possible for the council to add an additional way for residents on Universal Credit to claim council tax support automatically.
- 6.9 Most new claimants for CTRS are in receipt of Universal Credit. When they apply for Universal Credit (UC) the council receives notification of their claim, followed by a further notification when their UC claim has been assessed. The customer can choose to claim CTRS as part of their UC application. The Council can then use the UC information to assess the CTRS without any need for the customer to make a separate claim.
- 6.10 This would reduce the number of claimants who miss out on CTRS because they are not aware of the scheme or do not apply in a timely fashion. It would also have a significant positive impact on resident's experiences of council tax support.
- 6.11 The existing claim form will be retained for any claimants who do not receive UC. This claim form is also used by Pension Age customers and by all age groups to claim Housing Benefit.

Stabilising entitlement

- 6.12 One of the features of the current CTRS scheme is that is recalculated for every change of circumstance. People often have frequent changes in their income which leads to multiple changes of entitlement. This means they may get several new Council Tax bills each year, changing their instalment dates and amounts. For many residents, often those in low-paid or insecure employment, this affects their ability to budget and can lead to a build-up of debt. It also has a significant administrative burden for the Council, which currently sends over 42,000 adjustment notices per year.
- 6.13 The stabilisation (deminimus) change is designed to smooth entitlement for working residents whose income changes frequently. Our analysis shows that 50% of changes are for less than £70 per month. This equates to a change in CTRS entitlement of £3.25 per week. We are therefore proposing that only a change in entitlement of which exceeds £3.25 would lead to a reassessment of CTRS. Cumulative changes which exceed £3.25 would also lead to a reassessment. Claimants are re-assessed for each financial year in any event.
- 6.14 The Council is proposing that where the weekly entitlement to CTRS goes up or down and the difference in the council tax support available to a resident would be either an increase or a decrease of £3.25 or less per week, the change will not be assessed. This means that the CTRS would not be changed and the bill for a resident would remain the same. If the change in their support is more than £3.25 per week, the residents' CTRS and bill will be recalculated (as currently happens).
- 6.15 There would be no change for 88% of residents in receipt of council tax support; an average gain of £36/year for 6% and an average loss of £32 for 6%. Those whose incomes decrease within the tolerance level will be signposted to the Council's discretionary relief fund. This is considered to be outweighed by the advantage of financial certainty for claimants. The consequent effect on the Council's CTRS budget would be small at around £10,000 annually.

- 6.16 Further analysis is contained in the enclosed Equality Impact Assessment.

Extending the period for back-dating claims

- 6.17 Relax the current backdating rules to extend the six-month limit on backdating to twelve months for working age claimants. This will remove a barrier to claim processing and help residents in financial need.

Plain English guide

- 6.18 In addition, it is recognised that the CTRS scheme could be made simpler to understand. The current regulations are complex and run to 214 pages. It is proposed to promote better understanding of the CTRS by publishing an explanatory note written in plain English. This should make it easier to understand and help to improve transparency and uptake. This plain English guide would have no legal status and so the CTRS would take precedence in the event of any conflict.

Estimated Total Financial Implications

- 6.19 The proposed review suggested in this report, is anticipated to increase the cost of CTRS by £10,000 due to the proposed changes to stabilising entitlement. It is considered that this level of increase can be accommodated within the Council's current medium term financial strategy (MTFS) assumptions.

The consultation process

- 6.20 The consultation included a formal consultation with the Greater London Authority (GLA), a full public consultation, and consultation with interested third parties such as Citizens Advice.
- 6.21 The full public consultation was undertaken in the ten weeks between 1st September 2021 and 10th November 2021. It targeted both existing recipients of CTRS and the wider group of council taxpayers.
- 6.22 The consultation process comprised of extensive publicity through the council's website and social media with an online questionnaire. Four questions which were offered to respondents to indicate whether or not they were in favour of the proposals and to offer the opportunity to comment and make alternative proposals:
- 6.22.1 Drop-in sessions were held at public libraries at Wood Green, Marcus Garvey House, and Hornsey.
 - 6.22.2 An online consultation form was available for completion on the Council's website
 - 6.22.3 A targeted social media campaign was undertaken on Facebook and Twitter.
 - 6.22.4 Targeted communication with existing claimants on the Council's CTRS database with every claimant sent a letter or email
 - 6.22.5 Targeted communication with all existing taxpayers on the Council Tax database with every liable property sent a letter or email.

6.22.6 The Consultation exercise generated a substantial response with some 4,550 replies

6.23 The results of the consultation together with the questions asked are provided in the attached report at Appendix 1 and are summarised in the table below.

Question	For	Against	Don't know
1. Are you in favour of simplifying the claims process by adding a new channel for residents on Universal Credit to claim council tax support automatically?	77%	8%	14%
2. Are you in favour of simplifying the scheme by changing the way that council tax support can be backdated to allow residents more time to claim?	81%	9%	9%
3. Are you in favour of simplifying the scheme through improved transparency by publishing the CTRS scheme in Plain English?	89%	4%	7%
4. Are you in favour of stabilising entitlement for residents by simplifying what happens when a resident's income changes by a small amount during the financial year?	76%	7%	17%

7.0 Contribution to Strategic Outcomes

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

7.2 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 CTRS will contribute to wider positive life outcomes.

7.3 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 CTRS is likely to increase, which could have positive impacts on the local economy.

8.0 Statutory Officer Comments

Finance

8.1 Council Tax is the only form of core funding over which the Council has direct control (albeit subject to referenda limits imposed by the government). The Council's medium term financial outlook is challenging, with projected savings required to be made in excess of £20m over the next five years. CTRS has the effect of reducing the level of Council tax collected by the Council and the GLA – the current scheme is presently costing £32m per annum. The Council has received a grant of £3.6m from the government to contribute to the increased cost of CTRS in 2021/22 due to the effects of the pandemic, however the government has not provided this funding for future years.

8.2 The proposed review suggested in this report, is anticipated to increase the cost of CTRS by £10,000 due to the proposed changes to stabilising entitlement. It is considered that this level of increase can be accommodated within the Council's current MTFS assumptions.

Procurement

8.3 Strategic Procurement notes the contents of this report

Legal

8.4 The Head of Legal and Governance has been consulted on this report and makes the following comments.

8.5. As set out in section 13A(2) of the Local Government Finance Act 1992, the Council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the Act. Each financial year the Council must consider whether to revise its scheme, or to replace it with another scheme. The Council must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

8.6 The existing CTRS permits applications to be made electronically and so the proposal to accept applications via Universal Credit will not require any changes to be made.

8.7 Section 13A(2) requires the reductions to be specified by reference to persons whom the Council considers to be in financial need or persons in classes

consisting of persons whom the Council considers to be in financial need. The proposal for stabilising entitlement thereby identifies the need for certainty as to outgoings for individuals who are on low incomes and are financially vulnerable. The rules for pensioners are fixed by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012/2885 and so this can only be done for working age claimants.

8.8 Whether or not the proposal for a stabilising entitlement for working-age residents within a threshold of £3.25 is lawful within the scheme of section 13A(1)(a) of the Local Government Finance Act 1992 is not straightforward. It could be argued that this proposal falls out with the Council's powers as the maintenance of the reduction is not sufficiently connected to "financial need" of individual residents whose income has increased and is above the tolerance level. Nevertheless, this type of arrangement has been operated in a number of other local authority areas without challenge. Furthermore, the better legal view is that it does fall within the Council's powers (it is *intra vires*), as the question of "financial need" probably encompasses the need for certainty as to outgoings for individuals who are on low incomes and are financially vulnerable. These individuals have been assessed as requiring a council tax reduction at the outset of the financial year, and uncertainty about outgoings during the course of the year may well cause them distress. The tolerance level of £3.25 is set at a reasonable level. Those whose incomes decrease within the tolerance level will be signposted to the Council's discretionary relief fund.

8.9 The Council has power to change the maximum period for back-dating applications for CTRS from working age claimants but not for pensioners. Whereas the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012/2885 prescribe a 3-month period for pensioners, they do not prescribe a period for working age claimants.

8.10 The plain English guide would be informal and have no legal status.

8.11 Schedule 1A to the 1992 Act makes further provision about Council Tax Reduction Schemes including prescribing the consultation process that must be followed. The Council must, in the following order:

- a. consult any major precepting authority which has power to issue a precept to it,
- b. publish a draft scheme in such manner as it thinks fit, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

8.12 The rationale for consulting with the major precepting authority first, in this case the Greater London Authority ("GLA"), is to ensure that they have been

involved in shaping the proposals within the draft scheme that will be put out to the public for consultation.

8.13 The GLA have been consulted and responded indicating their support for the preferred option (see appendices 7 and 8). A draft scheme was published prior to a ten-week public consultation.

8.14 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.

8.15 The Council must ensure that it has due regard to its Public Sector Equality Duty (PSED) under the Equality Act 2010 in considering whether to revise or replace its scheme.

Equalities

8.16 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 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 share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.17 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.

8.18 An Equality Impact Assessment (EqIA) is attached as Appendix 3.

9. Use of Appendices

Appendix 1: Outcome of the Public Consultation

Appendix 2: Outcome of the consultation with GLA

Appendix 3: Equalities Impact Assessment

Appendix 4: Detailed Modelling of the de minimus Scheme

Appendix 5: CTRS Scheme

10. Local Government Access to Information Act 1985

[Cabinet Report: Changes to 2019/20 Council Tax Reduction Scheme \(August 2018\)](#)

[July 2021 Cabinet Report: Council Tax Reduction Scheme \(CTRS\) Administration](#)



Council Tax Reduction Scheme

Please tell us if you are responding to this survey as a Haringey resident, or on behalf of an organisation.

		Count	%
Responding as:	Haringey resident	4533	99%
	Organisation (please give name below)	11	0%
	Neither (neither a resident nor an organisation)	36	1%
	Total	4580	100%

		Count	%
Sex	Female	2419	56%
	Male	1787	41%
	Prefer not to say	147	3%
	Total	4353	100%

(27 respondents ignored this equalities question,)

Names of organisations who responded

C&C housing association	Engage Haringey
Capital home	Haringey Council
Chitimali Locum Medical Limited	Highgate Butchers
Citizens Advice Haringey	Juliet Chard Reach and Connect
Brent Community Housing	Oseikrom Ltd
AHK International	Kurdish housing association
Citizens Advice Haringey	

Do you currently receive Council Tax reduction?

		Count	%
Do you currently receive a Council Tax reduction?	Yes	1746	38%
	No	2796	62%
	Total	4542	100%

		Sex					
		Female		Male		Prefer not to say	
		Count	%	Count	%	Count	%
Do you currently receive a Council Tax reduction?	Yes	1078	45%	535	30%	42	29%
	No	1341	55%	1252	70%	105	71%
	Total	2419	100%	1787	100%	147	100%

Q1 We propose adding another way for residents to claim Council Tax Reduction (CTR) automatically when they start receiving Universal Credit. Currently, residents claiming Universal Credit must make a separate application to us to apply for CTR. This can cause difficulty as well as stress and can result in people not getting the reduction, they may be entitled to; as we can only help residents if they apply.

Our proposal involves simplifying the process by removing the need to make a separate CTR application for people who are awarded Universal Credit. We believe this would simplify the process and reduce the difficulty for those who claim Universal Credit. It would also ensure that as many people as possible can claim the support to which they are entitled.

Q1 Do you support this scheme change?

		Count	%
Support new streamlined CTR application scheme?	Yes	3528	77%
	No	377	8%
	Don't know / not sure	660	14%
	Total	4565	100%

Specific comments on Q1 have been examined and coded in more detail in the table below. Only 822 respondents have provided comments on Q1

		Count	%
Q1	Supportive	483	59%
	Not supportive	147	18%
	Neutral	34	4%
	D/K	115	14%
	Alternative suggestions	43	5%
	Total	822	100%

Q1 Comments categorised into groups

	Count	%
Totally agree if processes will really be simpler, clearer, faster and with less form-filling	315	39%
Agree - as long as it is not subsidised by increased charges for others (many on low income)	120	15%
Whole application system is confusing - also difficult without improved customer support	82	10%
Need tighter controls to discourage fraud - and clarity on how the scheme will be funded	91	11%
Definitely support this	44	5%
Concerned that this will push the burden onto those that do work yet don't qualify	80	10%
Need much more information before deciding what to do	69	8%
Many are struggling financially because of the pandemic	14	2%
Total	815	100%

Example Verbatim Comments

"If it aint broke, don't fix it!" - currently there are too many hoops and obstacles to jump through for those on Universal credit, especially with the government withdrawing the £20 aid they gave to people during Covid. It's getting to where it not only is confusing around what you can claim, but also adding very large amounts of anxiety for those who really need it.

1. Consultation period (CP) 2/9/21 - 10/11/21. LBH letter to me dated 13/10/21, 6 weeks after CP start. Letter received today, 4/11/21, 3 weeks+ later. Therefore 9 weeks of CP passed before notification & 5 days left before CP ends This is a GROSS ABUSE of PROCESS. CP must be extended. 2. Impossible to get through to LBH on phone regarding letter & CP. Not good enough.

1) If things are done "automatically" then people won't know when mistakes happen in this "automatic" process. 2) Mistakes ALWAYS happen. People need to understand the process, so they can identify when mistakes happen to their case. 3) If it is automatic, then disadvantaged people will never find out they have been disadvantaged/excluded and will have no recourse.

100% agree

A more simple and automatic qualification process appears to be an improvement and should reduce administration costs.

A very sensible and reasoned proposal.

Absolute no brainer. Must save the council money as well as the applicant's anxieties.

Absolutely ! Not everyone is mobile or savvy tech or owns a smart phone . Some people are dyslexic or just old . They do make it difficult which can often put people in debt

According to the 'frequently asked questions' I am not affected by the proposed changes as I am pensioner. However if the scheme is to be simplified and reduces the amount of work involved for both residents and admin staff this would seem to be in line with some sustainable practises.

ALL council tax correspondence should be in basic plain English and easily understood by everyone. Unfortunately all Haringey's benefits entitlement letters are extremely difficult to understand - even for people that are educated and can read the language! All letters regarding benefits from Haringey Council need to be completely rewritten into very basic entitlement letter of yes or no and how much a resident needs to pay.

As with all Haringey Consultations, insufficient detail is stated to make an informed decision. You always phrase questions the way to encourage people to support the decision you want to implement, to pretend that the public are consulted meaningfully.

As you receive a copy of our wage slips (RTI) all CTR should be automatic.

Haringey is the highest council tax I've paid in London, I previously lived in similar sized properties in Hackney and Croydon and have been shocked how high it is here

Have used system to claim & would be so much easier with 1 claim.

How about Pensioners? Those claiming Universal Credit are just as unfortunate as us Pensioners who do not get any support from Haringey Council when we ourselves, are not working and are claiming a small pension, so this scheme appears to be biased and slightly unfair.

How cool! That Haringey is trying to make life easier and better for those on low incomes, yes, more of this. How will new people claiming CTR know they are entitled, and will this appear on the UC online account? CTR is always calculating what's entitled how will this now be communicated if you go ahead with the new change?

I act as an adviser for Citizens Advice in St Albans and regularly see the problems experienced by Clients who do not realise they need to make a separate application for CTR. To compound the issue, they are often told that UC merges all means tested legacy benefits, so they assume CTR is covered too. Anything which improves the ability to claim benefits would be welcome as it is difficult to explain this difficult area of law to some clients

I do not support this proposal as it reduces amount of reduction I am receiving. I do not receive any benefits, yet I am barely making my ends meet. During the pandemic I am hard hit and every penny matters. This proposal is so harsh and unfair, especially while going to winter amongst the energy fuel rises. Instead of increasing the amount of council tax reduction it is shambolic that you are reducing the help on those who need it most. I need to say that I am not going to vote for the labour next time. It is obvious that Haringey council is under very bad management. I see that new shiny block of apartments has rising behind of Historic Hornsey Town Hall and I wonder where all that money goes to?

I do rather prefer to leave things as they were before. Please try not to make things complicated for people on these scheme who qualifies, for council tax reduction . I do have suspect as an Haringey council you are interested in one thing - to collect more money ever (council Tax) from the residents of this borough but nothing else. To come up ideas like these above not well come from the residents of this borough.

I don't understand why making it easier to apply for this needs consultation at all. What are the downsides? Sorry if this sounds mean, but unless you're actively trying to undermine people who need help, this is uncontroversial.

I don't want any difficulty, it's hard to start all over again. I didn't need to start again when I moved to universal credit. I suffer panic attacks and anxiety.

Yes thanks to the government for trying help people like as I think is good to reduce it thank you for your attention

Yes this is a very good idea. I help Residents claim UC and I think there is some under claiming of council tax reduction at present

Yes, I totally support the scheme change. Please simplify the process to promote fairness because sometimes, people just accept things because they are unable (due to different reasons) to challenge decisions made by the Council Tax Department.

Q2 Currently, anyone who is entitled to Council Tax Reduction and has unclaimed payments can have these backdated up to 6 months. In some cases, however, this is not long enough for people to claim the full support that they may be entitled to.

We propose lengthening the period in which claims can be backdated from 6 months to 12 months as it will help prevent residents missing out on support they may be entitled to.

Q2. Do you support this scheme change?

		Count	%
Support longer claims backdating period?	Yes	3687	81%
	No	417	9%
	Don't know / not sure	426	9%
	Total	4530	100%

The specific comments on Q2 have been examined and coded in more detail as follows. A large majority of respondents have not offered any comments – only 384 have commented

		Count	%
Q2	Supportive	207	54%
	Not supportive	98	26%
	Neutral	16	4%
	D/K	27	7%
	Alternative suggestions	36	9%
	Total	384	100%

Example Comments on Q2

Haringey needs to put more into social care and other disadvantaged not a blanket for all hopefully if i am eligible, Housing benefit team has to inform me.

How can the council i.e. general income tax (central government support) council taxpayers afford this? The proposal contains a vague statement to the effect that this can be accommodated within the council's medium term budget, but this doesn't make sense

How do I know if I'm owed? Would you let me know?

*I am a Disabled person and I never come across this type of form
I am always paying the CTR on time of the year.*

I am sure it will add to my tax bill, and I am not a CTRS receiver.

I applied student discount, but I didn't get it

I believe 6 months is a sufficient time frame for submitting documents

I don't understand why 6 months is not long enough.

i don't support any CT Reduction as the government on hard time with lockdowns and losing their jobs should have reduced council tax for all residents on benefits and non-benefits

I fell foul of this very problem when at the beginning of the pandemic I claimed universal credit and didn't initially understand. Also I am in receipt of PIP and disabled and also on the high risk register for Covid. At the time your online portal was down and nether my wife or myself could go to the post office to send registered mail. I managed to make a claim online eventually but ended up owing an extra £300. Even though I tried to pre-empt I had the same problem when moving at Xmas. Felt like had been mugged ??

I fully support this, and I hope this does take place and the process is easier.

if you know how to claim benefits you know how to claim CCR / stop spoon feeding

If you simplify the instructions maybe this problem won't arise

Q3. Currently, the Council Tax Reduction Scheme is written in over 200 pages of dense legal text.

We propose rewriting it into plain English. This would have a positive effect by making the scheme more transparent, easier to understand, and help ensure claimants get their full entitlement. The content of the scheme will not change, only the language.

Q3. Do you support this scheme change?

		Count	%
Rewrite the CTR scheme detail in plain English?	Yes	4070	89%
	No	172	4%
	Don't know / not sure	308	7%
	Total	4550	100%

The specific comments on Q3 have been examined and coded in more detail below. Only 428 respondents have commented on Q3

		Count	%
Q3	Supportive	294	69%
	Not supportive	26	6%
	Neutral	29	7%
	D/K	17	4%
	Alternative suggestions	62	14%
	Total	428	100%

Example Comments on Q3

A full document should be available for those who wish to read it and a precis in plain English should also be made available. I fear that abandoning the original 200 page legal text entirely may omit important information however it is unlikely that many CTR applicants would read a 200 page document and the information needs to be communicated in an appropriate manner.

Absolutely. Council Tax schemes (and letters explaining calculations) are often indecipherable even to a highly literate person, never mind someone with poor English language skills or learning difficulties etc.

All council communications, including this one, need simplification and the use of standard English.

All Council documents intended for public scrutiny should be in Plain English and have the appropriate Plain English Campaign kite mark (which is not currently the case)

All council documents should be in plain English - should have done this years ago

All council documents should be written in plain English! Dense legal language makes council services much harder to understand and access

All literature should be written with the Plain English Awards standards in mind. This might even reduce the need for translation into foreign languages.

All local authority schemes, taxes, benefits, policies etc should be expressed in plain English. It should be at the centre of governmental communications policy because complication and complexity is inevitably a barrier to people claiming. So yes very good thing to do and hopefully not expensive either.

Always easier to understand for residents is good idea

Amen. I had never seen anything like it, and my job is negotiating contracts. From memory the forms also covered Housing Benefit and I think these need to be completely separate forms to fill in, with only the information relevant to the applicable scheme.

Q4. People often have changes in their circumstances which affect the income used to assess their CTR and leads to multiple changes of entitlement. For many residents, often those in low-paid or insecure employment, this affects their ability to budget and can lead to a build-up of debt. It also has a significant administrative burden for the council, which currently sends over 42,000 adjustment notices/bills per year. Under the proposed scheme, only changes in circumstances which exceed £3.25 a week in CTR entitlement will result in a recalculation. This means changes in entitlement of less than £3.25 a week will be ignored and CTR entitlement will remain unchanged.

Q4. Do you support this scheme change?

		Count	%
Stop burdensome CTR recalculations for minor changes?	Yes	3420	76%
	No	324	7%
	Don't know /not sure	771	17%
	Total	4515	100%

The specific comments on Q4 have been examined and coded in more detail below. Only 375 respondents have commented on Question 4

		Count	%
Q4	Supportive	114	30%
	Not supportive	86	23%
	Neutral	52	14%
	D/K	106	28%
	Alternative suggestions	17	5%
	Total	375	100%

Anything which reduces the cost of administrative work by the council is to be welcome. The effect on recipients of the CTRS is irrelevant based on the mounts of change quoted.

As a Citizen's Advice Adviser I often encounter clients who have fallen into debt and require Money Advice and Budgeting advice after fluctuating income has resulted in overpayments or underpayments of CT. The constant adjustments are extremely difficult to understand for them and for us, and it is very stressful for the clients who eventually stop reading the letters from the council which could be dangerous if they are in debt which could be enforced by court or bailiff action.

As a single parent on a tight budget, I think this is a good idea. Hopefully, this will have a positive knock on effect for paper reduction and postage cost reduction, as well. as all residents must be informed prior to any changes being made

As existing arrangements are complex would have helped if the proposed simplified text were available to assist in understanding proposed new position fully.

Difficult to understand the context above

Does this mean that if my bill is reduced by less than 3.25 per week the reduction won't apply? This is potentially a loss of over £150 per annum which would buy a person in straightened circumstances a lot of dinners.

Does this work in both directions? If someone gets worse off by £2 per week then this would not be taken into account - that might be serious for eh most vulnerable. I would support making no change if that would reduce support but allowing changes where an increase in support is due.

Don't understand what this means yet again layman's terms would help

I am a single parent who is working as a casual employee, NO SICK PAY/NO BENEFITS, not receiving no extra moneys from no one whatsoever. I have to care for the home, my child, bills, at the end of this nothing left to get by for myself. No self-care for me. I think it is absolutely ridiculous the amount that I am being charged for council tax just because I got a few more hours at work. The more you worked the more you are being charged by the council and also reduction in income from Universal Credit. I think you should find a better method to charged single parents who are not in secured employment and yes I know it's the government who allow big businesses to get away with this.

I am concerned that claimants will have a reduction in benefits.

I am happy for no change to be made during the year on the basis proposed but can see no reason why a balancing payment is not made at the year-end when direct debit amounts are changed anyway. From the wording above, a balancing payment is not proposed.

I am happy for this support.

I am happy to help those genuinely in need but as you know there is considerable abuse of the system causing others to suffer.

I am very sorry to say being old age I don't understand what this CTRS is, but it will be very helpful if council tax is reduced

i approve of this only if it does not result in the person receiving a bill for the accumulation of small amounts. these small amounts should not be charged back to the person

I assume this reduces the administrative cost of the scheme, which I support.

Not if it adds more money to council tax bills of £30 million council tax is ready too expensive

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David Graaff
Head of Service Delivery
London Borough of Haringey
Alexandra House
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Our ref: CTS
Your ref:
Date: 1 November 2021

Dear David

LONDON BOROUGH OF HARINGEY: COUNCIL TAX SUPPORT SCHEME 2022-23

Thank you for your email of 25 August informing the GLA about the Council's consultation on proposals for the draft local council tax support (LCTS) scheme for 2022-23. The consultation proposes four options on reforms to the support that is provided to people of working age from 2022-23. This letter sets out the GLA's response to the consultation.

Introduction

As in previous years, the GLA recognises that the determination of council tax support schemes under the provisions of the Local Government Finance Act 2012 are a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and, more generally, the financial impact on the council and local council tax payers – and therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding, the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding of both the factors which have been taken into account by boroughs in framing their proposals, as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform the final scheme design.

Framing Proposals

As part of the introduction of council tax support in 2013-14, the Government set out its expectation that, in developing their scheme proposals, billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants;
- They consider extending support or protection to other vulnerable groups; and

- Local schemes should support work incentives and, in particular, avoid disincentives to move into work.

The GLA concurs with those general broad principles and encourages all billing authorities in London to have regard to them in framing their schemes.

Proposed Options for 2022-23 Scheme

The Council proposes to make four changes to its LCTS scheme for working age people, which are intended to simplify arrangements for the scheme, as follows:

- Option A: Simplifying the claims process by enabling residents to claim council tax support automatically when they start receiving Universal Credit.
- Option B: Increasing the maximum backdating period of LCTS awards from six to twelve months.
- Option C: Simplifying the written rules for the scheme by publishing a shorter version in plain English.
- Option D: Reducing the number of changes made to claimants' award entitlements by setting a higher threshold for changes in income which would lead to a change in LCTS awards. Only changes of income in excess of £70 per month would lead to a reassessment of LCTS award. It is estimated that under this proposal there would be no change for 88% of residents in receipt of LCTS, an average gain of £36 per year for 6% and an average loss of £32 for 6%.

The consultation does not propose any changes to pensioners' entitlements to LCTS; pensioners will continue to be protected and their CTS award will remain broadly the same as it would have been under the former CTB scheme.

GLA Response to Proposals

The GLA welcomes the Council's proposals to simplify its LCTS scheme and the Council's commitment to ensure that the existing level of support for working age CTS claimants will not be made less generous. Indeed, the proposal to extend backdating (Option B) will provide greater support for some residents than the current scheme.

The approach to treat notifications from DWP that a Universal Credit claimant wishes to claim LCTS as an application (Option A) is in line with changes made by other London boroughs. Similarly, the implementation of a 'de minimis' level for changes in income which lead to changes in entitlement (Option D) follows other boroughs' approaches. This should reduce the burden on the Council to recalculate entitlements multiple times a year and improve clarity over the council tax bill for claimants, providing greater certainty for households to budget and plan their finances. Although this will lead to reductions in income for some residents, the consultation confirms that on average these changes will be less than £3 per month.

Finally, the GLA welcomes the proposals to simplify the written rules of the scheme (Option C). Whilst we recognise that the detailed rules on council tax support schemes are inevitably complex, the GLA would encourage all boroughs to make every effort to set out information on their schemes as clearly as possible.

Information that may help potential claimants could include an online calculator, to identify whether potential claimants are likely to be entitled to support, as well as 'Frequently Asked Questions' and a summary document outlining concise details of the scheme. In addition, for existing claimants, we would encourage boroughs to consider how the process for reporting changes in circumstances can be made as straightforward as possible.

In summary, the GLA is supportive of the proposed changes to the scheme, and is therefore content for the Council to determine the options it wishes to take forward, taking into account responses to the current consultation from residents and others.

Financial Implications of the Proposed 2022-23 Scheme

It would be helpful for the GLA's planning purposes if the Council could provide the GLA with a forecast total cost for the proposed scheme in 2022-23, based on the forecast 2021-22 caseload—ideally apportioning all elements between the GLA and the council, having regard to 2021-22 council tax shares. This would also allow the GLA to calculate its share of the cost of the scheme proposed by the Council.

Council Tax Protocol

In recent years the issue of council tax collection practices has become more high profile and evidence suggests that more households have fallen with council tax payments in the wake of the pandemic. The GLA, of course, recognises the importance of ensuring council tax arrears are collected wherever possible. However, in some instances poor collection practices can worsen debt problems for vulnerable residents.

Citizens Advice, in partnership with the Local Government Association, has developed a council tax protocol¹, which outlines a number of practical steps for early intervention to support people struggling with payments. In summary, the Protocol asks that councils:

- work with enforcement and advice agencies to help people pay their council tax bills while accessing debt advice;
- ensure all communication with residents about council tax is clear;
- use the Standard Financial Statement when calculating repayment plans;
- offer flexible payment arrangements to residents;
- do not use enforcement agents where a resident receives council tax support;
- publish their policy on residents in vulnerable circumstances

In London, eight boroughs have now signed up to the protocol and the GLA would encourage all boroughs to consider adopting the protocol.

The Ministry of Housing Communities and Local Government (MHCLG) also published best practice² guidance for council tax collection by local authorities, in August 2021. The guidance emphasises clear communication, joined up working with debt advice services and appropriate choices of enforcement methods to increase collection while ensuring fair treatment of residents. The GLA would urge councils to review the recommendations in the guidance and consider adopting the processes where necessary.

¹<https://www.citizensadvice.org.uk/Global/CitizensAdvice/campaigns/Council%20Tax/Citizens%20Advice%20Council%20Tax%20Protocol%202017.pdf>

² <https://www.gov.uk/government/publications/council-tax-collection-best-practice-guidance-for-local-authorities/council-tax-collection-best-practice-guidance-for-local-authorities>

Setting the Council Tax Base for 2022-23 and Assumptions in Relation to Collection Rates

The council will be required to set a council tax base for 2022-23 taking into account the potential impact of the discounts the Council may introduce in respect of council tax support and any potential changes the Council may implement regarding the changes to the treatment of second and empty homes.

The Council will need to make a judgement as to the forecast collection rates from those claimants and council taxpayers affected by any changes to council tax support, taking into account the experience over the last eight years of the council tax support arrangements.

The GLA would encourage the Council to provide it with an indicative council tax base forecast as soon as options are presented to members for approval, in order that it can assess the potential implications for the Mayor's budget for police, fire and other services for 2022-23. This should ideally be accompanied by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final council tax support scheme design.

Collection Fund and Precept Payments

By 23 January 2022 the council is required to notify the GLA of its forecast collection fund surplus or deficit for 2021-22, which will reflect the cumulative impact of the localisation of council tax support since it was introduced in 2013-14. The GLA would encourage the council to provide it with this information as soon as it is available.

I would like to thank you again for consulting the GLA on your proposed council tax support options for 2022-23.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Johnson', with a long horizontal flourish extending to the right.

Mark Johnson
GLA Group Finance

Equality Impact Assessment (EQIA)

The Equality Impact Assessment (EQIA) form is a template for analysing a policy or proposed decision for its potential effects on residents with protected characteristics covered by the Equality Act 2010.

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 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.

Although it is not enforced in legislation as a protected characteristic, Haringey Council recognises the profound and far-reaching impacts of socioeconomic disadvantage treats socioeconomic status as a local protected characteristic.

1. Responsibility for the Equality Impact Assessment

Name of proposal:	Review of Council Tax Reduction Scheme Administration for 2022/23
Service Area:	Revenues and Benefits, Finance
Officer Completing Assessment:	David Graaff
Equalities/HR Advisor:	Edward Ashcroft / Jim Pomeroy
Cabinet meeting date (if applicable):	1st March 2022
Director/Assistant Director	Jon Warlow, Director of Finance; Andy Briggs, AD Corporate and Customer Services

2. Executive summary

Background

In 2013, the government formerly abolished Council Tax Benefit (CTB) and replaced it with a locally defined Council Tax Reduction Scheme (CTRS). In 2012/13, the Council developed its own scheme. It reviewed and updated the scheme in 2019/20. No changes were made in 2020/21. Previous Equality Impact Assessments are available on the council website.

Following the transfer of Council Tax Benefit to Local Authority, the Haringey Council Tax Reduction Scheme has protected pensioners from any changes (as mandated by Central Government). This means pensioners can receive up to 100% support with their council tax. In addition, those in receipt of certain disability benefits and (since 2019/20) working age residents with children are also eligible to receive up to 100% support for their council tax bill. Working-age claimants who are not protected must make some contribution but can receive up to 80.2% support for their council tax bill. This requirement is in place due to funding cuts associated with the transfer of responsibility from Central to Local Government and to ensure the scheme remains financially sustainable for the council whilst protecting those who are most vulnerable.

Proposal

The proposals to amend the CTRS scheme for the financial year 2022/23 primarily relate to ways to simplify the administration of the scheme to maximise uptake amongst residents and minimise the administrative burden for the council. The council is not seeking to reduce the generosity of the current scheme or to reduce the maximum entitlement awarded since 2019. This means that as per the current scheme, those in receipt of certain disability benefits and working age claimants with children will continue to be protected. All working age non protected claimants will have to pay something towards their Council Tax bill. The proposed amendments to the scheme primarily relate to the following:

- Simplifying the claims process by adding a new channel for residents on Universal Credit to claim council tax support automatically.
- Simplifying the scheme by changing the way that council tax support can be backdated to allow more time for residents to claim.
- Simplifying the scheme through improved transparency by publishing an additional simplified summary of the scheme written in plain English.
- Stabilising entitlement for residents by simplifying what happens when a resident's income changes by a small amount during the financial year.

Key Stakeholders

The proposals directly impact all current recipients of CTRS – as well as those who are eligible but not claiming or who may become eligible – as they relate to changes in the ways that the scheme is administered. The current preferred option has the potential to impact on a wide range of protected groups. The specific proposed

changes are likely to have a particular impact on the following groups, amongst whom there is likely to be a disproportionate number of residents with protected characteristics, based on available evidence:

- Those who are claiming Universal Credit, amongst whom there has been a sharp increase in the last year.
- Those who are in insecure work, including those in the 'gig' economy, and whose income therefore fluctuates regularly.
- Those who may struggle to access the support for example due to digital exclusion, language barriers, or lack of information.

Due to the impact of Covid-19, there has been an increase in the number of residents claiming CTR support. The council has estimated a 15% increase in claimants since the start of the pandemic (6% in 2020/21 and 9% in 2021/22). Given the unequal financial impact of the pandemic, there is likely to be a disproportionate number of residents with protected characteristics within this cohort. Our Covid-19 Community Impact Assessment highlights that young people and women are more likely to have lost work due to the impact of Covid-19, whilst lower income earners (concentrated in the east of the borough where there is a disproportionate number of BAME residents) have also been acutely impacted by the economic fallout from the pandemic. It is likely that these groups will continue to be impacted by ongoing financial challenges such as rising inflation and increases to energy prices.

Key impacts of proposed changes:

- **Simplifying the claims process to include an automated way for those on Universal Credit to apply for CTRS is likely to have a positive equalities impact.** It will simplify access to the scheme for many residents, including those who may be digitally excluded, face language barriers, or lack access to information and therefore be unable to claim the support to which they are entitled. There are likely to be a disproportionate number of residents with protected characteristics amongst these groups, including people with disabilities, elderly residents, and historically marginalised groups.
- **Stabilising entitlement for residents by simplifying what happens when a resident's income changes by a small amount during the financial year is also likely to have a positive overall equalities impact.** Many residents experience multiple changes in income throughout the year, including those in insecure work or the 'gig economy', amongst whom there are likely to be a disproportionate number of residents with protected characteristics or low socioeconomic status. Reducing the number of bills issued will support with household budgeting and therefore help to minimise debt. It should be noted that under these proposed changes, there are likely to be a small percentage of claimants who will be worse off financially. Specifically, modelling shows that 5.5% of working-age households receiving Council Tax support would

receive an average loss of £32/year. By comparison, 6.4% of working-age households receiving Council Tax support would be better off at an average of £36/year. The vast majority (88%) would receive the same award as now. This EqIA explains in more detail the anticipated impact on specific groups with protected characteristics. These impacts are considered to be proportionate to the overall benefit of this change to residents and the council. The preferred approach to stabilising entitlement has sought to minimise the number of people who will receive less financial support.

- **Simplifying the scheme by changing the way that council tax support can be backdated to allow more time for residents to claim and to add a simplified summary of the scheme in plain language in the policy is also likely to have an overall positive equalities impact.** This is because simplifying the scheme and allowing more time to backdate claims will support those residents who may find it difficult to access the scheme, including due to access to information or language barriers. There are likely to be a disproportionate number of residents with protected characteristics amongst these groups, including disabled people, elderly residents, and historically marginalised groups.

Key impact of decision to maintain current levels of protections:

The Council is proposing to maintain the current level of generosity of the scheme. This means that as per the current scheme, those in receipt of certain disability benefits and working age claimants with children will continue to be protected. All working age non protected claimants will continue to have to pay something towards their Council Tax bill. Maintaining the same level of support as now can be expected to have a positive overall equalities impact given the ongoing financial impact of the pandemic and the increase in recipients of council tax support.

Other mitigations

It is recognised that cuts to council tax support introduced by welfare reforms will continue to have a significant impact on those who are vulnerable. Where residents are facing financial hardship, we will continue to use existing support mechanisms such as signposting to other sources of help including our internal support service and 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 was clear that in addition to their public sector equality duty, there were additional duties of the Council in regard to developing its CTRS. The 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 EqlA 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, the aforementioned 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.

As below, data available to the Council has been used in considering the effect of the proposal on the protected groups.

3. Consultation and engagement

Background

The council ran a public consultation from 2nd September to 11th November 2021 on the proposals to change the Local Council Tax Reduction scheme from April 2022. The volume of responses received to the public consultation was substantially higher than previous Local Council Tax Reduction scheme (LCTRS) consultations run by the council.

The consultation was predominantly online on the council's website. To create awareness, the Council ran a publicity campaign on social media and held pop events at libraries across the Borough where residents could ask officers any questions on the consultation and fill out a paper copy. Paper copies were also made available at various libraries throughout the Borough to provide access for those who were digitally excluded. To ensure awareness, all households within the borough were written to with an invitation to participate in the consultation along with advice on how to respond.

Responses

There was a total of 4,580 responses to the public consultation. Of these:

- Sex - 56% of respondents were Female and 41% Male. 3% preferred not to say.
- Age – 1% of respondents were under 25; 41% of respondents were 25-44; 40% of respondents were 45-64; and 18% of respondents were over 65.

1746 reported that they were currently receiving Council Tax reduction (38%). Given the characteristics of those in receipt of Council Tax Reduction, it is likely that a disproportionate number of these respondents had Protected Characteristics.

Findings – Quantitative

A summary of the consultation findings is included within the report to Cabinet. A summary of the equalities analysis is contained below. There was overwhelming support for these changes.

Of the total 4542 responses received:

	Supported (%)	Did not support (%)	Don't know or not sure (%)
Simplifying the claims process	77	8	14
Increasing the provision for backdating claims	81	9	9
Rewriting the scheme into plain English	89	4	7
Changes to Council Tax	76	7	17

Recalculations (stabilising entitlement)			
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Of the 1746 responses where the resident identified that they were in receipt of Council Tax Reduction:

	Supported (%)	Did not support (%)	Don't know or not sure (%)
Simplifying the claims process	73	9	19
Increasing the provision for backdating claims	82	11	7
Rewriting the scheme into plain English	87	3	9
Changes to Council Tax Recalculations (stabilising entitlement)	70	8	21

Findings – Qualitative

There was broad support for all the proposals.

Changes to Council Tax Recalculations

The lowest level of support (which was still a strong majority in favour) was 70% in favour of the proposed changes to Council Tax Recalculations – which would stabilise entitlement for residents by simplifying what happens when a resident's income changes by a small amount during the financial year.

Some of those in favour felt that the measure would support budgeting amongst the most vulnerable, noting that claimants often find it difficult to budget due to their claims being reassessed on a regular basis. For example:

Claimants find it difficult to budget due to their claims being reassessed on a monthly basis. So, this proposal is great.

As a single parent on a tight budget, I think this is a good idea. Others were concerned about the potential impact on those with low incomes should they receive a lower award.

Any little amount counts in a household like ours (one adult, four kids).

It is noted that some residents will be worse off under these proposed changes. Modelling shows that 5.5% of working-age households receiving Council Tax support would be worse off. The average loss would be £32/year, which is 61p per week.

However, the vast majority of residents will see no change in their entitlement, and, where residents do see some change in their entitlement, the number is likely to be low.

The potential specific impacts of these changes are examined throughout this EqIA. In summary the council is putting in place the following mitigations:

- To mitigate the impact, the preferred approach to stabilising entitlement has sought to minimise the number of people who will receive less financial support. The vast majority of residents will see no change in their entitlement, and, where residents do see some change, the number is likely to be very low.
- In addition, where residents are facing financial hardship, as is the council's usual practice, we will continue to use existing support mechanisms such as signposting to other sources of help including our internal support service and the CAB and voluntary groups for our customers and will seek to build upon these.

The potential negative impacts are considered to be proportionate to the overall benefit of this change to residents and the council.

Other comments

Some general points were also raised around the accessibility of the scheme. This included some concerns around access for those who face language barriers and/or who are digitally excluded.

It is noted that the proposed changes set out here do not remove any avenues to apply for Council Tax Reduction – instead, they add additional and simplified channels. Notably, those who are digitally excluded, or face language barriers are particularly likely to benefit from changes to the scheme which will see automatic applications for those on Universal Credit and stabilised entitlement.

Application support for the digitally excluded will also continue to be available through our services such as Connected Communities and our Customer Services. The Council has also delivered take-up campaigns to help ensure that residents can learn about the scheme and access the support that they need (including through targeted outreach).

4. Data and Impact Analysis

Note on data – the summary data used in this Equalities Impact Assessment is drawn from the June 2021 caseload. The data used to examine the impact of changes to stabilise entitlement is drawn from the April 2020 caseload.

Summary – CTRS caseload

The council has estimated a 15% increase in claimants since the start of the pandemic (6% in 2020/21 and 9% in 2021/22). It is likely that amongst these groups, there will a disproportionate number of residents with protected characteristics. Our Covid-19 Community Impact Assessment highlights that young people and women are more likely to have lost work, whilst lower income earners (concentrated in the east of the borough where there is a disproportionate number of BAME residents) have also been acutely impacted by the economic fallout from the pandemic. These are also some of the groups who are likely to be most impacted by ongoing challenges such as rising energy costs and inflation.

In June 2021, there were 27956 residents in receipt of Council Tax Reduction support in Haringey. This total had been declining year on year since Council Tax Benefit was abolished in 2013 but has increased due to the pandemic. Table 1.0 summarises the breakdown of the Council's CTRS caseload in comparison to September 2019. For reference, the total resident population in Haringey is 271,222 of which 185,872 are of working age (18-64).

Table 1.0 – Total CTRS caseload (June 2021 compared to September 2019)

	Pensionable	Protected / disability-related	Protected / child in household	Non-protected/ other Working Age	Total CTR Claimants
June 2021	7688	7599	6770	5899	27956
Sept 2019	8101	7396	5667	4107	25278

27% 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. This is a caseload decrease from September 2019.

27% of the Council's CTRS caseload is of **working age but in receipt of a specific disability benefit**, and who the Council has therefore '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. This is a small percentage decrease on September 2019.

24% 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. This is a small increase on September 2019.

21% 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. This percentage has increased from 16.25% in September 2019.

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

Summary – those impacted by proposed administrative changes

The proposed changes to simplifying the claims process to include an automated way for those on Universal Credit to apply for council tax support will impact those on Universal Credit. There has been a sharp increase in the number of residents claiming this benefit during the pandemic. In March 2020, there were around 15,135 people on Universal Credit. In November 2021, there were 39,669. Claimants are concentrated in the east of the borough.

The proposed change to simplify entitlement when residents' income changes could impact all current and potential recipients of the scheme by reducing the number of bills the council issues which will help to simplify the scheme for residents and the council.

Modelling shows that 6.4% of working-age claimants would be better off (at an average of £36/year), 5.5% worse off (at an average of £32/year) and 88% unchanged.

The proposed changes to simplify the scheme by changing the backdating rules and produce a summary version of the policy written in simple English will benefit all current and potential recipients of the scheme.

4a. Age

Data

Borough Profile¹

56,718: 0-17 (21%)

72,807: 18-34 (27%)

68,257: 35-49 (25%)

44,807: 50-64 (17%)

28,632: 65+ (11%)

Target Population Profile

Table 1.1 – Total CTRS caseload by Age (June 2021 compared to September 2019)

June 2021						
Age	Pensionable	Protected / disability	Protected / child in household	Non-protected / other Working Age	Total CTR Claimants	% All CCTR Claimants
18-24	0	45	203	182	430	2%
25-44	<10	1735	4428	1764	7930	28%
45-59	29	4090	2033	2847	8999	32%
60-64	47	1325	89	913	2374	8%
65+	7609	330	12	192	8143	29%
Not provided	0	74	<10	<10	80	0%
Total	7688	7599	6770	5899	27956	100%

September 2019

¹ Source: State of the Borough

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

Impacts

Haringey is a relatively young borough with around 25% of residents under the age of 20. The highest proportion of residents under 18 are found in the east and northwest of the borough.

Older people

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.

There is a disproportionate number of +65-year-old residents in this category who will continue to be positively impacted by the decision to maintain the current generosity of the scheme into 2022/23.

Children

Working age claimants with children will continue to be 'protected' under the scheme and receive up to 100% maximum Council Tax Reduction.

Child poverty is a significant issue in the borough and maintaining the generosity of 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 decisions here will have a positive impact for children.

Working age residents

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

Non-protected working age claimants are predominantly aged between 25 and 59 and must pay some contribution towards their council tax. There are no proposals to change this in 2022/23 but there will be no increases to the amount for which they will be liable.

Proposed administrative changes All residents in receipt or eligible for CTR stand to benefit from steps to simplify the scheme and improve its accessibility. Residents who may have otherwise faced barriers to claim the support to which they are entitled stand to notably benefit.

Under the proposed change to simplify entitlement when residents' income changes, 6.4% of working-age residents will be better off (at an average of £36/year) and 5.5% will be worse off (at an average of £32/year) with 88% unchanged. There will be some variation within age groups as set out in Table 1.2.

Although there are some variations amongst age groups this does not suggest this protected characteristic will be disproportionately negatively impacted by these changes.

Table 1.2 – Modelled working-age CTRS caseload under stabilised entitlement changes by age (April 2020)

Working-age households (% of households in dataset)	% with higher awards	average gain if higher CTS award (£)	% with lower award	average loss if lower CTS award (£)
16-17 (0%)	1.9%	£2	0%	£0
18-21 (0%)	6%	£24	3.6%	£58
22-24 (1%)	4.5%	£41	2.3%	£25
25-29 (5%)	5.8%	£35	6.9%	£33
30-34 (8%)	6.0%	£37	7.1%	£31
35-39 (11%)	10%	£34	6.0%	£34
40-44 (13%)	9.9%	£36	8.4%	£29
45-49 (15%)	8.3%	£40	6.7%	£33
50-54 (17%)	5.8%	£36	4.9%	£31
55-59 (17%)	3.9%	£34	4.1%	£32
60-64 (13%)	2.6%	£33	2.6%	£33

4b. Disability²

Data

Borough Profile ³

4,500 people have a serious physical disability in Haringey.

19,500 aged 16-64 have a physical disability this equates to approximately 10% of the population aged 16-64.

1,090 people living with a learning disability in Haringey.

4,400 people have been diagnosed with severe mental illness in Haringey.

Target Population Profile

There were 7599 people in the June 2021 caseload who were eligible for 100% council tax support due to being in receipt of certain disability benefits. This represents 27% of the overall caseload.

Impacts

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 continue to benefit from the decision to maintain the current generosity of the CTRS in 2022/23.

Proposed administrative changes

All residents in receipt or eligible for CTR stand to benefit from steps to simplify the scheme and improve its accessibility. Residents who may have otherwise faced barriers to claim the support, amongst whom there is likely to have been a disproportionate number of disabled residents, stand to notably benefit.

Under the proposed change to the scheme to simplify entitlement when residents' income changes, 6.4% of working-age residents will be better off (at an average of £36/year) and 5.5% will be worse off (at an average of £32/year) with 88% unchanged.

Within this group, our modelling suggests that 1.4% of those in receipt of DLA or ESA equivalent will be worse off (at an average loss of £38) and 1.3% better off (at an average gain of £34).

This is a particularly low variation and does not suggest that there will be a disproportionate impact on these residents compared to the larger caseload.

² In the Equality Act a disability means a physical or a mental condition which has a substantial and long-term impact on your ability to do normal day to day activities.

³ Source: 2011 Census

4c. Gender Reassignment⁴

Data

Borough Profile

There is no robust data at Borough level on our Trans population, however the central government estimates that there are approximately 200,000-500,000 Trans people in the UK. Assuming an average representation, this would mean between 800 and 2000 Haringey residents are Trans.⁵

Target Population Profile

We do not hold data on gender reassignment in Haringey's CTR caseload. 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.

Impacts

It is anticipated that the continuation of the current scheme alongside the proposed administrative changes will not have a disproportionate impact on this protected characteristic.

⁴ Under the legal definition, a transgender person has the protected characteristic of gender reassignment if they are undergoing, have undergone, or are proposing to undergo gender reassignment. To be protected from gender reassignment discrimination, an individual does not need to have undergone any specific treatment or surgery to change from one's birth sex to one's preferred gender. This is because changing one's physiological or other gender attributes is a personal process rather than a medical one.

⁵ Trans is an umbrella term to describe people whose gender is not the same as, or does not sit comfortably with, the sex they were assigned at birth.

4d. Marriage and Civil Partnership

Data

Borough Profile ⁶

Divorced or formerly in a same-sex civil partnership which is now legally dissolved: (8.2%)

In a registered same-sex civil partnership: (0.6%)

Married: (33.3%)

Separated (but still legally married or still legally in a same-sex civil partnership): (4.0%)

Single (never married or never registered a same-sex civil partnership): (50.0%)

Widowed or surviving partner from a same-sex civil partnership: (3.9%)

Target Population Profile

We do not hold data on marriage and civil partnership among Haringey's CTR caseload. 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.

Impact

It is anticipated that the continuation of the current scheme alongside the proposed administrative changes will not have a disproportionate impact on this protected characteristic.

⁶ Source: 2011 Census

4e. Pregnancy and Maternity

Data

Borough Profile ⁷

Live Births in Haringey 2019: 3646

Target Population Profile

We do not hold detailed data about maternity in the CTRS dataset. However, in the June 2021 dataset, there were 6770 working age residents eligible for 100% council tax support with children, which equates to 24% of the total.

The scheme will continue to protect working-age claimants with children and there are no proposed changes to this protection. Therefore, those with children will continue to benefit from the decision to maintain the current level of generosity in 2022/23.

Proposed administrative changes

All residents in receipt or eligible for CTR stand to benefit from steps to simplify the scheme and improve its accessibility. Residents who may have otherwise faced barriers to claim the support stand to notably benefit.

Under the proposed change to the scheme to simplify entitlement when residents' income changes, 6.4% of working-age residents will be better off (at an average of £36/year) and 5.5% will be worse off (at an average of £32/year) with 88% unchanged. Within this group, working-age households with dependents are likely to be impacted as set out in Table 1.3. Although there are some variations amongst age groups this does not suggest this protected characteristic will be disproportionately negatively impacted by these changes.

Table 1.3 – Modelled working-age CTRS caseload under stabilised entitlement changes by dependents (April 2020)

Working-age households (% of households in dataset)	% with higher awards	average gain if higher CTS award (£)	% with lower award	average loss if lower CTS award (£)
Households with dependents aged 1 and under (2%)	7.4%	£37	8.1%	£18
Households with dependents aged 5 and under (14%)	9.1%	£37	7.3%	£32
Households with dependents aged 16 and under (39%)	10.8%	£36	8.6%	£30
Households with 3 or more dependents (12%)	11.7%	£39	8.7%	£32

⁷ Births by Borough (ONS)

Lone Parents with dependents (27%)	8.9%	£34	7.8%	£30
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4f. Race

Data

Borough Profile ⁸

Arab: **0.9%**

Any other ethnic group: 3.9%

Asian: **9.5%**

Bangladeshi: 1.7%

Chinese: 1.5%

Indian: 2.3%

Pakistani: 0.8%

Other Asian: 3.2%

Black: **18.7%**

African: 9.0%

Caribbean: 7.1%

Other Black: 2.6%

Mixed: **6.5%**

White and Asian: 1.5%

White and Black African: 1.0%

White and Black Caribbean: 1.9%

Other Mixed: 2.1%

White: **60.5% in total**

English/Welsh/Scottish/Norther Irish/British: 34.7%

Irish: 2.7%

Gypsy or Irish Traveller: 0.1%

Other White: 23%

Target Population Profile

Table 1.4 – Total CTRS caseload by Ethnicity (June 2021 compared to September 2019)

⁸ Source: 2011 Census

June 2021						
Ethnicity	Pensionable	Protected / disability	Protected / child in household	Non-protected / other Working Age	Total CTR Claimants	% All CCTR Claimants
White British	280	503	493	706	1982	7%
White Other	249	415	724	596	1984	7%
Non-White	475	817	1404	1106	3802	14%
Unknown	6684	5864	4149	3419	20188	72%
Total	7688	7599	6770	5899	27956	100%

September 2019						
Ethnicity	Pensionable	Protected/disability	Protected/child in household	Non-protected/other Working Age	Total CTR Claimants	% All CCTR Claimants
White British	232	393	335	283	1243	4.92%
White Other	228	366	425	190	1209	4.78%
Non-White	408	697	832	637	2574	10.18%
Unknown	7240	5940	4075	2997	20252	80.12%
Total	8108	7396	5667	4107	25278	100%

Race and ethnicity data was not historically recorded as part of the CTRS application process. Therefore, the data provided in table 1.4 does not give a complete overview of the current caseload.

For those CTRS claimants who provided an ethnicity (see Table 1.4), 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 current proposals.

Proposed administrative changes

All residents in receipt or eligible for CTR stand to benefit from steps to simplify the scheme and improve its accessibility. Residents who may have otherwise faced barriers to claim the support stand to notably benefit.

Under the proposed change to the scheme to simplify entitlement when residents' income changes, 6.4% of working-age residents will be better off (at an average of £36/year) and 5.5% will be worse off (at an average of £32/year) with 88% unchanged.

Table 1.5 shows the modelled impact on different ethnicities of proposed changes to stabilise entitlement (based off limited data). Although some groups will have a slightly higher level of variance (percentage seeing higher or lower awards), this data does not suggest that there will be a disproportionate impact on this protected characteristic

Table 1.5 - Modelled working-age CTRS caseload under stabilised entitlement changes by race (April 2020)

Working-age households	% with higher awards	average gain if higher CTS award (£)	% with lower award	average loss if lower CTS award (£)
Asian	8%	£36	7%	£39
Black	5%	£32	5%	£32
Mixed	3.4%	£24	5.6%	£31
White British	4.5%	£35	4.2%	£33
White Other	9.3%	£39	7.8%	£32
Other	7.5%	£36	6%	£33

4g. Religion or belief

Data

Borough Profile ⁹

Christian: 45%

Buddhist: 1.1%

Hindu: 1.9%

Jewish: 3%

Muslim: 14.2%

No religion: 25.2%

Other religion: 0.5%

Religion not stated: 8.9%

Sikh: 0.3%

Target Population Profile

We do not hold data on religion or belief among Haringey's CTR caseload. 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.

Impact

It is anticipated that the continuation of the current scheme alongside the proposed administrative changes will not have a disproportionate impact on this protected characteristic.

⁹ Source: 2011 Census

4h. Sex

Data

Borough profile ¹⁰

Females: (50.5%)

Males: (49.5%)

Target Population Profile

Table 1.6 – Total CTRS caseload by Sex (June 2021 and September 2019)

June 2021						
Sex	Pensionable	Protected / disability	Protected/child in household	Non-protected / other Working Age	Total CTR Claimants	% All CCTR Claimants
Female	4387	4267	5059	2919	16632	59.5%
Male	3145	3152	1576	2905	10778	38.6%
Unknown	156	189	135	75	546	2.0%
Total	7688	7599	5667	5899	27956	100%

September 2019						
Sex	Pensionable	Protected/disability	Protected/child in household	Non-protected/other Working Age	Total CTR Claimants	% All CCTR Claimants
Female	4556	4139	4157	1904	14756	58.47%
Male	3390	3074	1365	2123	9952	39.4%
Unknown	162	183	145	80	570	2.3%
Total	8108	7396	5667	4107	25278	100%

¹⁰ Source: 2011 Census

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 generosity of the current CTRS into 2022/23 will continue to disproportionately positively impact women more than men.

Proposed administrative changes

Given there are a larger number of women claiming CTRS, women are likely to be disproportionately positively impacted by the overall steps to simplify the scheme and improve its accessibility.

Under the proposed change to simplify entitlement when residents' income changes, 6.4% of working-age residents will be better off (at an average of £36/year) and 5.5% will be worse off (at an average of £32/year) with 88% unchanged.

Given that more women are in receipt of CTR than the wider Haringey population, women are likely to be slightly more impacted by this change. The modelling breakdown is set in Table 1.7.

Although there is some variation in the percentage seeing higher or lower awards, this data does not suggest that there will be a disproportionate impact on this protected characteristic

Table 1.7 – Modelled working-age CTRS caseload under stabilised entitlement changes by gender (April 2020)

Working-age households (% of households in dataset) - gender of lead claimant	% with higher awards	average gain if higher CTS award (£)	% with lower award	average loss if lower CTS award (£)
Female (62%)	6.8%	£35	5.9%	£31
Male (38%)	5.9%	£39	5.0%	£34

Working-age households (% of households in dataset) - gender including partners	% with higher awards	average gain if higher CTS award (£)	% with lower award	average loss if lower CTS award (£)
Female only (53%)	5.9%	£34	5.3%	£32
Male only (25%)	3.0%	£35	3.3%	£38
Mixed household (21%)	11.8%	£39	8.7%	£30

4i. Sexual Orientation

Data

Borough profile ¹¹

3.2% of London residents aged 16 or over identified themselves as lesbian, gay or bisexual in 2013. In Haringey this equates to 6,491 residents.

Target Population Profile

We do not hold data for this protected characteristic in the CTRS caseload. 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.

Impacts

It is anticipated that the continuation of the current scheme alongside the proposed administrative changes will not have a disproportionate impact on this protected characteristic.

¹¹ Source: ONS Integrated Household Survey

4j. Socioeconomic Status (local)

Data

Borough profile

Income¹²

Haringey is the 4th most deprived in London as measured by the IMD score 2019 (where 1 = most deprived). The most deprived LSOAs (Lower Super Output Areas or small neighbourhood areas) are more heavily concentrated in the east of the borough.

22.4% of the population in Haringey aged 16-65 receive Universal Credit as of March 2021.

29% of employee jobs in the borough are paid less than the London Living Wage. The average wage of someone working in Haringey is £30,452 per year and the average resident wage (including people who travel out of the borough for work) is £35,769 per year.

Educational Attainment¹³

While Haringey's proportion of students attaining grade 5 or above in English and Mathematics GCSEs is higher than the national average, it performs worse than London.

5.5% of Haringey residents have no qualifications.

Target Population Profile

Council Tax Support is means tested across low-income socio-economic groups.

All claimants will therefore be in a lower socio-economic category.

Due to the increase in financial hardship created by Covid-19, maintaining the generosity of the current scheme can be expected to have an overall positive equalities impact. This will continue to have a positive benefit due to the ongoing impact of increases to the cost of living, including inflation and energy prices.

Proposed administrative changes

All residents in receipt or eligible for CTR stand to benefit from steps to simplify the scheme and improve its accessibility. Residents who may have otherwise faced barriers to claim the support stand to notably benefit.

Under the proposed change to the scheme to simplify entitlement when residents' income changes, 6.4% of working-age residents will be better off (at an average of £36/year) and 5.5% will be worse off (at an average of £32/year) with 88% unchanged.

¹² Source: Annual Survey of Hours and Earnings, ONS, 2019

¹³ Source: Annual Population Survey 2019 (via nomis)

There will be a particular impact on those who are more likely to see fluctuations in their incomes, including those who are employed and self-employed as set out in Table 1.8.

Although there are some significant variations, including for those who are self-employed, this does not suggest that there will be a disproportionate negative impact on this protected characteristic.

It should be noted that reducing the number of bills issued will be of particular benefit to those who see regular changes in their incomes in order to support with household budgeting and therefore minimise debt.

Table 1.8 – Modelled working-age CTRS caseload under stabilised entitlement changes by economic status (April 2020)

Working-age households (% of households in dataset)	% with higher awards	average gain if higher CTS award (£)	% with lower award	average loss if lower CTS award (£)
Employed (28%)	18%	£38	12.7%	£32
Self-employed (5%)	12.8%	£30	18.5%	£30
Not in work – carer (5%)	1.1%	£26	5.3%	£16
Not in work – disable (39%)	0.6%	£34	0.9%	£39
Not in work – lone parent (9%)	2.3%	£26	1.8%	£37
Not in work – other (14%)	1.8%	£26	1.9%	£42

5. Key Impacts Summary

5a. Outline the key findings of your data analysis.

Age

Maintaining the generosity of 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. Administrative changes are likely to improve uptake of and accessibility to the scheme.

Children

Child poverty is a significant issue in the borough and maintaining the generosity of 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 of the changes proposed here, including those to maximise uptake of the scheme, would have a positive impact on this age group.

Changes to stabilise entitlement are not likely to have a disproportionate negative impact on this protected characteristic, although a small number of residents may be slightly worse off financially.

Disability

Maintaining the generosity of 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.

Administrative changes are likely to improve overall uptake and ease of access to council tax support, including for those who may otherwise have struggled to access the support to which they are entitled.

Changes to stabilise entitlement are not likely to have a disproportionate negative impact on this protected characteristic, although a small number of residents may be slightly worse off financially

Gender reassignment

Overall, maintaining the generosity of 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 continuing the generosity of the current scheme and the proposed administrative changes will not have a disproportionate impact on this protected characteristic.

Marriage and civil partnerships

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

Changes to the administration of the scheme are likely to improve the overall uptake and ease of access to support for residents, although a small number of working-age residents will be slightly worse 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 proposals will not have a disproportionate impact on this protected characteristic.

Pregnancy and maternity

Overall, maintaining the generosity of the scheme as is will have a positive impact on working age claimants with children.

Changes to the administration of the scheme are likely to improve the overall uptake and ease of access to support for residents, although a small number of working-age residents will be slightly worse off.

Child poverty is a significant issue in the borough and maintaining the generosity of the scheme as proposed here 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.

Race

The borough profile data suggests that the Black and Minority Ethnic population is overrepresented.

Generally, maintaining the scheme as-is whilst making some administrative changes so the scheme is easier to access is likely to have a positive financial impact on most CTRS claimants.

It is thought likely that maintaining the generosity of the scheme would also have an overall positive impact on the Black and Minority Ethnic CTRS claimants.

Administrative changes are likely to improve overall uptake and ease of access to council tax support, including for those who may otherwise have struggled to access the support to which they are entitled.

Changes to stabilise entitlement are not likely to have a disproportionate negative impact on this protected characteristic, although a small number of residents may be slightly worse off financially

Religion or belief

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

Changes to the administration of the scheme are likely to improve the overall uptake and ease of access to support for residents, although a small number of working-age residents will be slightly worse 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 proposals will not have a disproportionate impact on this protected characteristic.

Sex

Women are overrepresented in the current CTRS caseload and so are likely to be positively affected by the continuation of the generosity of the scheme and from proposed changes to improve how the scheme is administered.

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 generosity of 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.

Changes to stabilise entitlement are not likely to have a disproportionate negative impact on this protected characteristic, although a small number of residents may be slightly worse off financially

Sexual Orientation

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

Changes to the administration of the scheme are likely to improve the overall uptake and ease of access to support for residents, although a small number of working-age residents will be slightly worse 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 proposals will not have a disproportionate impact on this protected characteristic.

Socioeconomic status

All residents in receipt of council tax support are on low incomes and therefore improvements to the scheme are likely to have a disproportionate positive impact on those with low socioeconomic status.

Those who are in employment or self-employed are disproportionately likely to gain or lose from the changes to how entitlement is calculated when income goes up or down – but it is not anticipated that there will be a disproportionate negative impact on this protected characteristic. In addition, reducing the number of bills issued will be of particular benefit to those who see regular changes in their incomes by supporting with household budgeting and therefore minimising debt.

5b. Intersectionality

The data suggests that female-headed single parents and BAME women are more likely to be disproportionately positively impacted by maintaining the generosity of the scheme and improving accessibility, as the equality strands are overrepresented in the CTRS caseload.

Other residents who face multiple barriers to accessing support – for example, those who might face language barriers and be digitally excluded – are also disproportionately likely to benefit from proposed administrative changes which are designed to simplify the scheme and improve its accessibility.

5c. Data Gaps

The council ran a public consultation from 2nd September to 11th November 2021 on the proposals to change the Local Council Tax Reduction scheme from April 2022. This received 4542 responses, including 1746 from those in receipt of Council Tax Reduction.

The data in this EqlA has been drawn from the council CTRS caseload, including modelled analysis of the potential impact of changes to the scheme. Where there are gaps, these have been explained.

6. Overall impact of the policy for the Public Sector Equality Duty

The changes that are being proposed primarily relate to simplifying the administration of the scheme in order to maximise uptake for residents. The council is not seeking to reduce the generosity of the current scheme or to reduce the maximum entitlement awarded since 2019. This could be expected to have a positive impact on the groups that share protected characteristics.

Changes to the administration of the scheme are likely to improve the overall uptake and ease of access to support for residents, although a small number of working-age residents will be slightly worse off financially.

Duties to particular groups:

As above, continuing the generosity of the scheme whilst simplifying how it is administered 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 generosity of 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.

7. Amendments and mitigations

7a. What changes, if any, do you plan to make to your proposal because of the Equality Impact Assessment?

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. **Y/N**

No

7b. What specific actions do you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty?

Actions to mitigate potential negative impacts will be taken as detailed throughout this EqIA.

Please outline any areas you have identified where negative impacts will happen because of the proposal, but it is not possible to mitigate them.

N/A

Please provide a complete and honest justification on why it is not possible to mitigate the:

N/A

7. Ongoing monitoring

Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented.

- Who will be responsible for the monitoring?
- What the type of data needed is and how often it will be analysed.
- When the policy will be reviewed and what evidence could trigger an early revision
- How to continue to involve relevant groups and communities in the implementation and monitoring of the policy?

Date of EQIA monitoring review:

The Council Tax Reduction Scheme will continue to be monitored on a regular basis, reviewed annually and proposed changes will continue to be subject to equalities analysis.

8. Authorisation

EQIA approved by (Assistant Director/ Director)

Andy Briggs.

Date

16th February 2022

9. 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.

Appendix 4

Comparison of current scheme with annual assessment scheme, if rebilling happens only when entitlement changes by more than the de minimis of £3.25/week										Change in CTS award (%)		Gain/loss if change					
	Demographic groups (as at 0420)	Total households	Current scheme: avg annual award	Annual assessment scheme: avg annual award	Avg difference annually per household	Higher CTS award under annual scheme	No change	Lower CTS award under annual scheme	% households higher CTS award	% no change	% households lower CTS award	Avg gain if higher CTS award	Avg loss if lower CTS award	Current scheme: Total annual cost	Annual scheme: Total annual cost	Avg difference annually: total cost	Avg difference in annual cost in % terms
	Overall	16919	£1,015	£1,016	£1	1089	14891	939	6.4%	88.0%	5.5%	£36	-£32	£17,177,539	£17,187,014	£9,475	0.06%
Benefits system	Legacy	12757	£1,056	£1,057	£1	824	11323	610	6.5%	88.8%	4.8%	£38	-£31	£13,468,241	£13,480,794	£12,553	0.09%
	UC	4162	£891	£890	-£1	265	3568	329	6.4%	85.7%	7.9%	£29	-£32	£3,709,310	£3,706,216	-£3,095	-0.08%
Work status	Not working	11314	£1,104	£1,103	£0	127	11012	175	1.1%	97.3%	1.5%	£29	-£33	£12,485,395	£12,483,200	-£2,195	-0.02%
	Working	5605	£837	£839	£2	962	3879	764	17.2%	69.2%	13.6%	£37	-£31	£4,692,153	£4,703,812	£11,659	0.25%
Economic status	Employed	4686	£821	£824	£3	844	3248	594	18.0%	69.3%	12.7%	£38	-£32	£3,847,966	£3,861,166	£13,200	0.34%
	Self-employed	919	£919	£917	-£2	118	631	170	12.8%	68.7%	18.5%	£30	-£30	£844,187	£842,646	-£1,541	-0.18%
	Not in work - carer	884	£1,169	£1,169	-£1	10	827	47	1.1%	93.6%	5.3%	£26	-£16	£1,033,747	£1,033,245	-£502	-0.05%
	Not in work - disabled	6580	£1,206	£1,206	£0	41	6482	57	0.6%	98.5%	0.9%	£34	-£39	£7,934,427	£7,933,592	-£836	-0.01%
	Not in work - lone parent	1473	£1,070	£1,069	£0	34	1413	26	2.3%	95.9%	1.8%	£26	-£37	£1,575,409	£1,575,350	-£59	0.00%
	Not in work - other	2377	£817	£817	£0	42	2290	45	1.8%	96.3%	1.9%	£26	-£42	£1,941,806	£1,941,010	-£796	-0.04%
Household type	Couple with children	2786	£1,142	£1,144	£2	381	2123	282	13.7%	76.2%	10.1%	£38	-£29	£3,181,938	£3,188,237	£6,299	0.20%
	Couple without children	901	£1,244	£1,245	£1	53	805	43	5.9%	89.3%	4.8%	£44	-£32	£1,121,173	£1,122,135	£962	0.09%
	Lone parent	4618	£1,020	£1,021	£1	411	3848	359	8.9%	83.3%	7.8%	£34	-£30	£4,711,113	£4,714,128	£3,016	0.06%
	Single	8614	£948	£948	£0	244	8115	255	2.8%	94.2%	3.0%	£35	-£37	£8,163,319	£8,162,504	-£815	-0.01%
Disability	DLA and ESA	3852	£1,255	£1,255	£0	15	3823	14	0.4%	99.2%	0.4%	£32	-£33	£4,833,174	£4,833,181	£8	0.00%
	DLA only	1241	£1,215	£1,215	£0	60	1123	58	4.8%	90.5%	4.7%	£32	-£32	£1,507,551	£1,507,629	£78	0.01%
	ESA only	1907	£1,095	£1,095	£0	18	1862	27	0.9%	97.6%	1.4%	£41	-£54	£2,088,052	£2,087,314	-£738	-0.04%
	Not disabled	9919	£882	£883	£1	996	8083	840	10.0%	81.5%	8.5%	£36	-£31	£8,748,768	£8,758,882	£10,113	0.12%
Tenure	Council tenant	4206	£1,100	£1,101	£1	216	3844	146	5.1%	91.4%	3.5%	£39	-£30	£4,627,790	£4,631,752	£3,962	0.09%
	On UC - tenure unknown	2778	£900	£900	-£1	203	2314	261	7.3%	83.3%	9.4%	£29	-£32	£2,501,314	£2,498,822	-£2,492	-0.10%
	Owner-occupier	1155	£958	£958	£0	33	1089	33	2.9%	94.3%	2.9%	£31	-£32	£1,107,064	£1,107,050	-£14	0.00%
	Private tenant	4556	£905	£906	£1	404	3828	324	8.9%	84.0%	7.1%	£38	-£31	£4,123,190	£4,128,506	£5,316	0.13%
	Social tenant	3425	£1,162	£1,163	£1	167	3124	134	4.9%	91.2%	3.9%	£38	-£32	£3,980,336	£3,982,388	£2,052	0.05%
	Supported housing	127	£1,116	£1,117	£1	3	124	0	2.4%	97.6%	0.0%	£43	£0	£141,727	£141,858	£130	0.09%
	Temporary accommodation	668	£1,038	£1,039	£1	63	564	41	9.4%	84.4%	6.1%	£34	-£40	£693,265	£693,773	£508	0.07%
CT band	a	2419	£722	£722	£0	122	2177	120	5.0%	90.0%	5.0%	£36	-£45	£1,747,323	£1,746,327	-£996	-0.06%
	b	4180	£877	£877	£0	192	3809	179	4.6%	91.1%	4.3%	£39	-£31	£3,663,852	£3,665,760	£1,908	0.05%
	c	5753	£1,021	£1,022	£1	435	4952	366	7.6%	86.1%	6.4%	£36	-£31	£5,875,867	£5,880,164	£4,297	0.07%
	d	3475	£1,205	£1,206	£1	273	2994	208	7.9%	86.2%	6.0%	£35	-£27	£4,186,652	£4,190,353	£3,701	0.09%
	e	833	£1,504	£1,505	£1	49	739	45	5.9%	88.7%	5.4%	£39	-£27	£1,253,225	£1,253,912	£687	0.05%
	f	224	£1,727	£1,726	-£1	14	190	20	6.3%	84.8%	8.9%	£27	-£32	£386,937	£386,677	-£260	-0.07%
	g	30	£1,764	£1,769	£5	4	26	0	13.3%	86.7%	0.0%	£34	£0	£52,922	£53,058	£135	0.25%
	h	5	£2,154	£2,151	-£3	0	4	1	0.0%	80.0%	20.0%	£0	-£14	£10,768	£10,755	-£14	-0.13%
Rebilled?	Rebilled during FY	5371	£776	£776	£1	580	4268	523	10.8%	79.5%	9.7%	£26	-£23	£4,167,437	£4,170,538	£3,101	0.07%
	Only billed once annually	11548	£1,127	£1,127	£1	509	10623	416	4.4%	92.0%	3.6%	£48	-£43	£13,010,104	£13,016,467	£6,363	0.05%

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

Introduction

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

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

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

Features of the scheme

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

- Applicants of working-age will have their Council Tax support assessed against 80.2% of their council tax liability
- Applicants of working age will be treated as having applied for Council Tax support if the Council is informed by the DWP that they have made a successful application for Universal Credit.
- Changes of entitlement of less than £3.25 per week will not be effected until such time as they cumulatively exceed £3.25 per week, in order to provide claimants with certainty.
- 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 12 months for those of a working age or 3 months for pensioners.
- Any change of circumstance which is advantageous to council tax support entitlement and reported by the applicant outside one month, will take effect from the date on which it is reported

Application, appeals, revisions and superseded decisions

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

General administration of the scheme

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

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

Uprating

This scheme proposes that certain figures for working age claimants set out in the scheme may be updated 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 please contact:

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

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 1 March 2022.

These rules may be cited as the Council Tax Reduction Scheme 2022 and come into force on 1 April 2022. 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 2021 and may be cited as the London Borough of Haringey Council Tax Reduction Scheme.

Part 2
Interpretation

Interpretation

2

(1) In this scheme--

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

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

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

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

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

"applicable amount" means--

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

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

(i) paragraph 26 and Schedule 3; or

(ii) paragraph 28,

as the case may be;

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

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

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

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

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

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

"child disability payment" has the meaning given by regulation 2 of the DACYP Regulations;

"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;

"the DACYP Regulations" means the Disability Assistance for Children and Young People (Scotland) Regulations 2021 (SI 2021/174)

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

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

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

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

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

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

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

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

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

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

"the Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

"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;

"Grenfell Tower support payment" means a payment made to a person because that person was affected by the fire on 14th June 2017 at Grenfell Tower, or a payment to the personal representative of such a person—

(a) from the £5 million fund announced on 16th June 2017 for the benefit of certain persons affected by the fire on 14th June at Grenfell Tower and known as the Grenfell Tower Residents' Discretionary Fund;

(b) by the Royal Borough of Kensington and Chelsea; or

(c) by a registered charity;

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

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

"historical child abuse payment" means a payment made under—

(a) Part 1 of the Historical Institutional Abuse (Northern Ireland) Act 2019;

(b) Part 4 of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021;

"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;

"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 under the terms of her contract of employment or under Part 8 of the Employment Rights Act 1996;

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

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

"member of the work-related activity group" means a 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;

"the National Emergencies Trust" means the registered charity of that name (number 1182809) established on 28th March 2019;

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

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

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

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

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

(a) meeting, or helping to meet an immediate short-term need--

(i) arising out of an exceptional event or exceptional circumstances, and

- (ii) that needs to be met to avoid a risk to the well-being of an individual, or
- (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;

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

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

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

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

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

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

"personal pension scheme" means--

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

virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

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

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

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

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

"qualifying contributory benefit" means--

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

"qualifying income-related benefit" means--

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

"qualifying person" means—

- (a) a person in respect of whom a Grenfell Tower support payment, a historical child abuse payment or a Windrush payment has been made or 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 Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund

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

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

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

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

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

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

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

"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 (Scotland) 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;

"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 person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973, or is training as a teacher;

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

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

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

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

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

"war widow's pension" means any pension or allowance payable to a woman as a widow under an

instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

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

"water charges" means--

- (a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,
- (b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002,

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

"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;

"Windrush payment" means a payment made under the Windrush Compensation Scheme (Expenditure) Act 2020;

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

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

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

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

- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995 (circumstances in which a jobseeker's allowance is not payable);
- (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for section 19 or 19A or regulations made under section 17A or 19B of that Act; or
- (c) in respect of which an income-based jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

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

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

Welfare Reform Act 2007 (disqualification); or

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

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

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

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

(8) References in this scheme to an applicant participating as a service user are to-

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

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

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

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

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

(i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or

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

in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or

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

Application of scheme: pensioners and persons who are not pensioners

3

(1) This scheme applies to--

(a) pensioners who fall within any of classes A to C; and

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

(2) In this scheme--

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

(i) he has attained the qualifying age for state pension credit; and

(ii) he is not, and, if he has a partner, his partner is not--

(aa) a person on income support, on an income-based jobseeker's allowance or on an 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 income-related employment and support allowance, or
- (bb) a person with an award of universal credit.
- (3) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (2) an award of universal credit is to be disregarded during the relevant period.
- (4) In this paragraph –
- "assessment period"* has the same meaning as in the Universal Credit Regulations 2013;
- "relevant period"* means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends.

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
- (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

(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 Ireland) Order 1987.
- (3) Subject to sub-paragraph (4), sub-paragraph (1) does not apply to a child or young person who is not living with the applicant and who--
 - (a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
 - (b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
 - (c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.
- (4) The authority must treat a child or young person to whom sub-paragraph (3)(a) applies as being a member of the applicant's household in any reduction week where--
 - (a) that child or young person lives with the applicant for part or all of that reduction week; and
 - (b) the authority considers that it is reasonable to do so taking into account the nature and frequency of that child's or young person's visits.
- (5) In this paragraph "relevant enactment" means--
 - (a) the Army Act 1955;
 - (b) the Air Force Act 1955;
 - (c) the Naval Discipline Act 1957;
 - (d) the Matrimonial Proceedings (Children) Act 1958;
 - (e) the Social Work (Scotland) Act 1968;
 - (f) the Family Law Reform Act 1969;
 - (g) the Children and Young Persons Act 1969;
 - (h) the Matrimonial Causes Act 1973;
 - (i) the Children Act 1975;
 - (j) the Domestic Proceedings and Magistrates' Courts Act 1978;
 - (k) the Adoption and Children (Scotland) Act 2007;

- (l) the Family Law Act 1986;
- (m) the Children Act 1989;
- (n) the Children (Scotland) Act 1995;
- (na) the Children's Hearings (Scotland) Act 2011; and
- (o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

Non-dependants

9

- (1) In this scheme, "non-dependant" means any person, except someone to whom sub-paragraph (2) applies, who normally resides with an applicant or with whom an applicant normally resides.
- (2) This paragraph applies to--
- (a) any member of the applicant's family;
 - (b) if the applicant is polygamously married--
 - (i) where the applicant has (alone or jointly with his partner) an award of universal credit, any--
 - (aa) party to such a marriage other than the applicant's partner; and
 - (bb) any child or young person who is a member of his household and for whom he or his partner or another party to the polygamous marriage is responsible; or
 - (ii) in any other case, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
- (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of paragraph 8 (households);
- (d) subject to sub-paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);
- (e) subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- (3) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is a non-dependant--
- (a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either--
 - (i) that person is a close relative of his or his partner; or
 - (ii) the tenancy or other agreement between them is other than on a commercial basis;
 - (b) a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of a council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;

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

Remunerative work

10

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

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

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

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

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

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

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

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

(7) A person must not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave, 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.

Part 3
Procedural Matters

Procedure for reduction applications and appeals against reduction decisions

11

Schedule 1 contains provisions about the procedure--

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

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

Classes of person entitled to a reduction under this scheme

12

- (1) The classes of person described in paragraphs 13 to 18 are entitled to a reduction under this scheme.
- (2) In those paragraphs, references to the applicant's income or capital include, in a case where that income or capital cannot accurately be determined, references to the applicant's estimated income or capital.
- (2A) In determining a person's entitlement to a reduction under the scheme, any payment made under the Energy Rebate Scheme 2022 is to be disregarded.

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

13

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

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

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

14

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

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

Class C: alternative maximum council tax reduction--pensioners

15

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

- (d) is not a person who jointly with the applicant falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- (e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

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

16

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week is less than his applicable amount, and
- (f) who has made an application.
- (g) any such person identified in 16(a), 16(b), 16(c), 16 (d), 16 (e) and 16(f) shall not be entitled to a council tax reduction if, once calculated, their award would have been less than £1 per week.

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

17

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

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

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

18

- (1) On any day class F consists of any person who is not a pensioner--
 - (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
 - (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
 - (c) in respect of whom a maximum council tax reduction amount can be calculated;
 - (d) who does not fall within a class of person not entitled to a reduction under this scheme;
 - (e) who has made an application; and
 - (f) in relation to whom the condition in sub-paragraph (2) is met.
- (2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the person in question in respect of the dwelling and there is an alternative maximum council tax reduction in respect of the day in the case of that person which is derived from the income, or aggregate incomes, of one or more residents to whom this sub-paragraph applies.
- (3) Sub-paragraph (2) applies to any other resident of the dwelling who--
 - (a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; and
 - (b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
 - (c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant for the reduction is a member of that couple or of that marriage and--
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
 - (d) is not a person who jointly with the applicant for reduction falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
 - (e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Periods of absence from a dwelling: pensioners

19

- (1) A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.
- (2) In sub-paragraph (1), a "period of temporary absence" means--
 - (a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as--

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

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

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

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

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

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

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

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

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

(2B) Where—

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

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

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

(2D) Where—

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and

(c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

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

(2E) This sub-paragraph applies where—

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

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

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

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

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

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

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

- (a) detained in custody on remand pending trial;
- (b) detained pending sentence upon conviction; or

(c) as a condition of bail required to reside—

(i) in a dwelling, other than a dwelling P occupies as P's home; or

(ii) in premises approved under section 13 of the Offender Management Act 2007,

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

(3B) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a member of Her Majesty's forces posted overseas, a mariner or a continental shelf worker;

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

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

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

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

(3D) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of sub-paragraph (3);

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

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

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

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

(3F) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of sub-paragraph (3);

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

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

- (a) the person intends to return to the dwelling;
 - (b) the part of the dwelling in which he usually resided is not let or sub-let;
 - (c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
- (4) This sub-paragraph applies to a person who is--
- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and
 - (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989.
- (5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release--
- (a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;
 - (b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;
 - (c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.
- (6) In this paragraph—
- “continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;
- “designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;
- “mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—
- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
 - (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;
- “medically approved” means certified by a medical practitioner;
- “member of Her Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty’s regular forces or reserve forces;
- “patient” means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;
- “prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and ex-

plotting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;

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

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

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

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

19A

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

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

- (a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as--
 - (i) the person resides in that accommodation;
 - (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
 - (iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

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

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

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

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

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

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

- (a) is detained in custody on remand pending trial or required, as a condition of bail, to reside--
 - (i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007,

or is detained in custody pending sentence upon conviction;

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

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

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

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

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

(6) In this paragraph--

"medically approved" means certified by a medical practitioner;

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

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

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

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

Transitional provision

19 B

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

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

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

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

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

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

"prescribed area" means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil

and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

Part 5 Classes of Person Excluded from this Scheme

Classes of person excluded from this scheme

20

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

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

21

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

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

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

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

(a) regulation 13 of the EEA Regulations;

(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—

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

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

(d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.

"(4B) Paragraph (4A)(b) does not apply to a person who—

(a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and

(b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b).

- (5) A person falls within this sub-paragraph if the person is--
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally-employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
 - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e)(iv) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
 - (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);
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
 - (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
 - (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971;
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971 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,
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005; or
 - (iv) granted under the Afghan Citizens Resettlement Scheme;
 - (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 overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the

posting or the first of consecutive postings, habitually resident in the United Kingdom.

(8) In this paragraph--

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

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

"EEA national" has the meaning given in regulation 2(1) of the EEA Regulations;

"EEA Regulations" means the Immigration (European Economic Area) Regulations 2016 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020;

"family member" has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);

"Her Majesty's forces" has the same meaning as in the Armed Forces Act 2006;

"relevant person of Northern Ireland" has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971.

Transitional Provision

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

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

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

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

(2) The events are-

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

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

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

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

22

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

(1A) A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purposes of paragraph (1).

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

Class of person excluded from this scheme: capital limit

23

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

Class of person excluded from this scheme: students

24

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

Part 6
Applicable Amounts

Applicable amounts: pensioners

25

- (1) The applicable amount for a pensioner for a week is the aggregate of such of the following amounts as apply in his case--
- (a) an amount in respect of his personal allowance, determined in accordance with paragraph 1 of Schedule 2 (personal allowance);
 - (b) an amount 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;"

- (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 household.

(5) Paragraph (6) applies where—

(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 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 conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008;

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

Polygamous marriages: persons who are not pensioners

27

(1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

(2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in his case--

- (a) the amount applicable to him and one of his partners determined in accordance with paragraph 1(3) of Schedule 3 as if he and that partner were a couple;
- (b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of that Schedule in respect of each of his other partners;
- (c) an amount determined in accordance with paragraph 2 of that Schedule (main phase employment and support allowance) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- (d) if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of that Schedule (family premium);
- (e) the amount of any premiums which may be applicable to him determined in accordance with Parts 3 and 4 of that Schedule (premiums);
- (f) the amount of 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--

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

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

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

- (a) one of them is a party to an earlier marriage that still subsists; and
- (b) the other party to that earlier marriage is living in the same household.

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

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

Part 7

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

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

29

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

- (a) 100 per cent of the amount A/B if the applicant is a pensioner;
- (b) save as excepted for at (c) to (e) below, 80.2 per cent of the amount A/B if the applicant is a person who is not a pensioner;
- (c) 100 per cent of the amount A/B if the applicant is not a pensioner but is in receipt of any of the following--

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

(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-dependant deductions: pensioners and persons who are not pensioners).

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

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

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

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

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

Non-dependant deductions: pensioners

30

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

- (a) in respect of a non-dependant aged 18 or over in remunerative work, $\text{£}12.85 \times \frac{1}{7}$;
- (b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, $\text{£}4.20 \times \frac{1}{7}$.

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

- (a) less than $\text{£}224.00$, the deduction to be made under this paragraph is that specified in sub-

paragraph (1)(b);

(b) not less than £224.00 but less than £389.00, the deduction to be made under this paragraph is £8.55x 1/7;

(c) not less than £389.00 but less than £484.00, the deduction to be made under this paragraph is £10.70x 1/7.

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

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

(5) Where in respect of a day--

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

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

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

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

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

(a) 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 elsewhere; or
 - (b) he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) he is a full-time student within the meaning of Part 11 (students); or
 - (d) he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes--
 - (i) "patient" has the meaning given in paragraph 19(6), and
 - (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods; or
 - (e) he is not residing with the applicant because he is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006) who is absent, while on operations, from the dwelling usually occupied as their home.
- (8) No deduction is to be made in respect of a non-dependant--
- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers; or
 - (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.
- (9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant's weekly gross income--
- (a) any attendance allowance, disability living allowance, child disability payment, 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 approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme; the National Emergencies Trust or the Independent Living Fund (2006) which are paid as income in kind (see sub-paragraph (13)); and
 - (ba) any Grenfell Tower support payment which is paid as income in kind (see sub-paragraph (13));
 - (bb) any historical child abuse payment;
 - (bc) any Windrush payment;
 - (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 approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency

Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the Independent Living Fund (2006);

(aa) any Grenfell Tower support payment;

(ab) any historical child abuse payment;

(ac) any Windrush 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;

(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 person'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 paragraph (a) refers or from a Grenfell Tower support payment, where—
 - (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 partnership 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 sub-paragraph 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 under 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.
- (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 persons,

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

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

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

(b) receiving in respect of himself--

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

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

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

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

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

SSCBA; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part 8

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

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

31

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

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

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

Part 9

Amount of Reduction Under this Scheme

Amount of reduction under this scheme: Classes A to F

32

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

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

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

(4) Where the person is within class C or F, that amount is the amount which is the alternative maximum council tax reduction in respect of the day in the applicant's case.

(5) Sub-paragraph (6) applies where both--

- (a) sub-paragraph (2) or sub-paragraph (3), and
- (b) sub-paragraph (4),

apply to a person.

(6) The amount of the reduction to which the person is entitled is whichever is the greater of--

- (a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and
- (b) the amount of the reduction given by sub-paragraph (4).

(6A) In determining the amount of any reduction to which a person is entitled, any payment made under

the Energy Rebate Scheme 2022 is to be disregarded.

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

Chapter 1
Income and Capital: General

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

33

(1) The income and capital of--

- (a) an applicant; and
- (b) any partner of that applicant,

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

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

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

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

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

34

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

(2) Except where--

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

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

(3) Where an applicant is treated as possessing income and capital belonging to a non-dependant under sub-paragraph (2) the income and capital of that non-dependant must be calculated in accordance with the following provisions of this Part in like manner as for the applicant and, except where the

context otherwise requires, any reference to the "applicant" is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

Chapter 2
Income and Capital: Pensioners in Receipt of Guarantee Credit or Savings Credit

Applicant in receipt of guarantee credit: pensioners

35

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

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

36

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

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

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

(5) This sub-paragraph applies if--

- (a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines his capital as being £16,000 or less;
- (b) subsequent to that determination the applicant's capital rises to more than £16,000; and
- (c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002.

Chapter 3

Income and Capital Where there is an Award of Universal Credit

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

37

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

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

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

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

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

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

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

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

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

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

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

Chapter 4
Income: Other Pensioners

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

38

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

Meaning of "income": pensioners

39

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

- (a) earnings;
- (b) working tax credit;
- (c) retirement pension income within the meaning of the State Pension Credit Act 2002;
- (d) income from annuity contracts (other than retirement pension income);
- (e) a war disablement pension or war widow's or widower's pension;
- (f) a foreign war disablement pension or war widow's or widower's pension;
- (g) a guaranteed income payment;
- (h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, in any case where article 31(2)(c) applies;
- (i) income from capital other than capital disregarded under Part 1 of Schedule 9;
- (j) social security benefits, other than retirement pension income or any of the following benefits--
 - (zi) universal credit;
 - (i) disability living allowance;
 - (ii) personal independence payment;
 - (iii) an AFIP;
 - (iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);
 - (v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of that Act (increase for exceptionally severe disablement);
 - (vi) child benefit;
 - (vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);
 - (viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of that Act (increases for dependants);
- (ix) any--
 - (aa) social fund payment made under Part 8 of the SSCBA (the social fund), or
 - (bb) occasional assistance;

- (x) Christmas bonus payable under Part 10 of that Act (Christmas bonus for pensioners);
 - (xi) housing benefit;
 - (xii) council tax benefit;
 - (xiii) bereavement 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) [omitted]
 - (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;
 - (xxiii) any Scottish child payment assistance given in accordance with section 79 of that Act;
 - (xxiv) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;
 - (xxv) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018;
 - (xxvi) winter heating assistance given in accordance with regulations under section 30 of that Act;
 - (xxvii) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;
- (k) all foreign social security benefits which are similar to the social security benefits mentioned above;
- (l) a payment made--
- (i) under article 30 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (award for children who have reached the child's age limit), in any case where article 30(1)(b) applies; or
 - (ii) under article 12(8) of that Order (unemployability allowances: children who have reached the child's age limit), in any case where sub-paragraph (b) of that article applies;
- (m) a pension paid 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;
- (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 support 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--

- (a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;
- (b) exceeds a week, the amount to be included in the applicant's weekly income is to be determined--
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
 - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;
 - (iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.

- (2) Sub-paragraph (3) applies where--

- (a) the applicant's regular pattern of work is such that he does not work the same hours every week; or
- (b) the amount of the applicant's income fluctuates and has changed more than once.

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

- (a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or
- (b) in any other case, on the basis of--
 - (i) the last two payments if those payments are one month or more apart;
 - (ii) the last four payments if the last two payments are less than one month apart; or
 - (iii) calculating or estimating such other payments as may, in the particular circumstances of

the case, enable the applicant's average weekly income to be determined more accurately.

(3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
- (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
- (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter,

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

(4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.

(4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
- (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
- (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each reduction week thereafter,

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

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

(6) This sub-paragraph applies to--

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any 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.
- (11) Income specified in Schedule 6 is to be disregarded in the calculation of the applicant's income.
- (12) Schedule 9 (capital disregards: pensioners) has effect so that--
- (a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and
 - (b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 71 (calculation of tariff income from capital: pensioners).
- (13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

Earnings of employed earners: pensioners

41

- (1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner who is a pensioner, means any remuneration or profit derived from that employment and includes--
- (a) any bonus or commission;
 - (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
 - (c) any payment in lieu of notice;
 - (d) any holiday pay;
 - (e) any payment by way of a retainer;
 - (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of--
 - (i) travelling expenses incurred by the applicant between his home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
 - (g) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001;
 - (h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;
 - (i) statutory paternity pay payable under Part 12ZA of that Act;
 - (ia) statutory shared parental pay payable under Part 12ZC of the SSCBA;
 - (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-paragraph (1)(g).

Calculation of net earnings of employed earners: pensioners

42

- (1) For the purposes of paragraph 57 (calculation of income on a weekly basis), the earnings of an applicant who is a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 40(5) and Schedule 5 (sums to be disregarded from earnings: pensioners), be his net earnings.
- (2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less--
- (a) any amount deducted from those earnings by way of--
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
 - (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
 - (c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and
 - (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, 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 under the SSCBA.
- (3) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined--

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

(5) Where the earnings of an applicant are determined under paragraph 40(2)(b) (calculation of weekly income: pensioners) his net earnings is to be calculated by taking into account those earnings over the assessment period, less--

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate, or the Scottish basic rate, of tax is to be applied and the amount of the personal reliefs deductible under this sub- paragraph is to be calculated on a pro rata basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
- (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Calculation of earnings of self-employed earners: pensioners

43

(1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self-employed earner, the weekly amount of his earnings is to be determined by reference to his average weekly earnings from that employment--

- (a) over a period of one year; or
- (b) where the applicant has recently become engaged in that employment or there has been a change which is likely to affect the normal pattern of business, over such other period ("computation period") as may, in the particular case, enable the weekly amount of his earnings to be determined more accurately.

(2) For the purposes of determining the weekly amount of earnings of an applicant to whom sub-paragraph (1)(b) applies, his earnings over the computation period are to be divided by the number equal to the number of days in that period and the product multiplied by 7.

(3) The period over which the weekly amount of an applicant's earnings is calculated in accordance with this paragraph is to be his assessment period.

Earnings of self-employed earners: pensioners

44

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner who is a pensioner, means the gross income of the employment.

- (2) "Earnings" in the case of employment as a self-employed earner does not include--
- (a) where an applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation for which payment is made, those payments;
 - (b) any payment made by a local authority to an applicant--
 - (i) with whom a person is accommodated by virtue of arrangements made under section 22C 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);
 - (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

45

- (1) An applicant who is a pensioner is to be treated as possessing--

- (a) subject to sub-paragraph (2), the amount of any retirement pension income--
 - (i) for which no claim has been made; and
 - (ii) to which he might expect to be entitled if a claim for it were made;
 - (b) income from an occupational pension scheme which the applicant elected to defer.
- (2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred--
- (a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;
 - (b) a shared additional pension payable under section 55A 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.
- (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-paragraph (6).

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

(9) Subject to sub-paragraphs (10), (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 or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.

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

(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).

(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--

(i) 5 weeks, if he is paid weekly; or

(ii) 2 months, if he is paid monthly; or

(b) whether or not paragraph (a)(i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

(2) Where the applicant has been in his employment for less than the period specified in sub-paragraph (1)(a)(i) or (ii)--

(a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average

weekly earnings must be estimated by reference to those earnings;

(b) in any other case, the authority must estimate the applicant's average weekly earnings.

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

(4) For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraphs 51 and 52 (earnings of employed earners: persons who are not pensioners).

Average weekly earnings of self-employed earners: persons who are not pensioners

48

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

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61 and 62 (earnings, and net profit, of self-employed earners).

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

49

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

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

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

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

50

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

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

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

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

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

(2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the

weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

Earnings of employed earners: persons who are not pensioners

51

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

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

(2) Earnings does not include--

- (a) subject to sub-paragraph (3), any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any payment in respect of expenses arising out of the applicant's participation in a service

user group.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(l).

Calculation of net earnings of employed earners: persons who are not pensioners

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(1) For the purposes of paragraph 47 (average weekly earnings of employed earners: persons who are not pensioners), the earnings of an applicant who is not a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to sub-paragraph (2), be his net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (6) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less--

(a) any amount deducted from those earnings by way of--

- (i) income tax;
- (ii) primary Class 1 contributions under the SSCBA;

(b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

(c) one-half of the amount calculated in accordance with sub-paragraph (5) in respect of any qualifying contribution payable by the applicant; and

(d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

(4) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(5) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined--

(a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;

(b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to F), his net earnings is to be calculated by taking into account those earnings over the assessment period, less--

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to

which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
- (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Earnings of self-employed earners: persons who are not pensioners

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- (1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.
- (2) "Earnings" does not include any payment to which paragraph 31 or 32 of Schedule 8 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor does it include any sports award.
- (3) This paragraph applies to--
 - (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - (b) any payment in respect of any--
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982,

where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.

- (4) Where the applicant's earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by--
 - (a) the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus
 - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) as appropriate in the applicant's case.

Calculation of income other than earnings: persons who are not pensioners

54

- (1) For the purposes of paragraph 49 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income: persons who are not pensioners).
- (2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule 8.

(3) Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under sub-paragraph (1) must be the gross amount payable.

(4) Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

(5) Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(6) Sub-paragraphs (7) and (8) apply where--

- (a) a relevant payment has been made to a person in an academic year; and
- (b) that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

(7) Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula--

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

Where

- (a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);
- (b) B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;
- (c) C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 81(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;
- (d) D = the number of reduction weeks in the assessment period.

(8) Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula in sub-paragraph (8) but as if--

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

(9) In this paragraph--

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

"assessment period" means--

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

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

- (i) the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
- (ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person,
whichever of those dates is earlier;

"quarter" in relation to an assessment period means a period in that year beginning on--

- (c) 1st January and ending on 31st March;
- (d) 1st April and ending on 30th June;
- (e) 1st July and ending on 31st August; or
- (f) 1st September and ending on 31st December;

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

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

- (a) any payment to which paragraph 41(2) or 51(2) (payments not earnings) applies; or
- (b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

Capital treated as income: persons who are not pensioners

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(1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £10,000, be treated as income.

(2) Any payment received under an annuity is to be treated as income.

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

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

Notional income: persons who are not pensioners

56

(1) An applicant who is not a pensioner is to be treated as possessing income of which he has de-

prived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.

(2) Except in the case of--

- (a) a discretionary trust;
- (b) a trust derived from a payment made in consequence of a personal injury;
- (c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
- (d) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);
- (e) any sum to which paragraph 51(a) of Schedule 10 refers;
- (f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;
- (g) child tax credit;
- (h) working tax credit, or
- (i) any sum to which sub-paragraph (11) applies,

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

(3) Any payment of income, other than a payment of income specified in sub-paragraph (4), made--

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

(4) Sub-paragraph (3) does not apply in respect of a payment of income made--

- (a) under or by the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- (b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- (c) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation--
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regula-

tions; or

(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

(e) in respect of a person's participation in the Mandatory Work Activity Scheme;

(f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where--

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

(ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

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

(5) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects, to the date on which the altered rate is to take effect.

(6) Subject to sub-paragraph (7), where--

(a) an applicant performs a service for another person; and

(b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area,

the authority must treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

(7) Sub-paragraph (6) does not apply--

(a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or

(b) in a case where the service is performed in connection with--

(i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations 1996, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations; or

(ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or

(c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

(8) In sub-paragraph (7)(c) "work placement" means practical work experience which is not undertaken in expectation of payment.

(9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.

(10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 42(2) or 52(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and his net earnings are to be calculated by taking into account those earnings which he is treated as possessing, less--

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and

(c) one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

(11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group.

Chapter 6

Income: Further Provisions Applying to Pensioners and Persons Who are Not Pensioners

Calculation of income on a weekly basis

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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: persons who are not pensioners); and

(c) deducting from the sum of paragraphs (a) and (b) any relevant child care charges to which paragraph 58 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.

(2) The conditions of this paragraph are that--

- (a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in sub-paragraph (3) otherwise applies in his case; and
 - (b) that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.
- (3) The maximum deduction to which sub-paragraph (1)(c) above refers is to be--
- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week;
 - (b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300 per week.

Treatment of child care charges: pensioners

58

- (1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and--
- (a) is a lone parent and is engaged in remunerative work;
 - (b) is a member of a couple both of whom are engaged in remunerative work; or
 - (c) is a member of a couple where one member is engaged in remunerative work and the other--
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).
- (2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he--
- (a) is paid statutory sick pay;
 - (b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;
 - (c) is paid an employment and support allowance;
 - (d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987; or
 - (e) is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- (3) This sub-paragraph applies to a person who was engaged in remunerative work immediately before--
- (a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - (b) the first day of the period in respect of which earnings are credited,

as the case may be.

- (4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- (5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (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 (circumstances in which a person is treated as responsible or not responsible for another); or
 - (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.
- (8) The care to which sub-paragraph (7) refers may be provided--
- (a) out of school hours, by a school on school premises or by a local authority--
 - (i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - (ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - (b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or
 - (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
 - (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010; or
 - (e) by--
 - (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010; or
 - (ii) local authorities registered under section 83(1) of that Act,
- where the care provided is child minding or day care of children within the meaning of that Act; or
- (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
 - (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
 - (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of

section 34(2) of that Act; or

(i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or

(j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of "childcare" for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or

(k) by a foster parent or kinship carer under the Fostering Services Regulations 2011, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or

(l) by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations or 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 appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

(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--

(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;
- (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 Reform 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 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;

(aa) in respect of whom child disability payment is payable;

(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-impaired 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 parental 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—

(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 person'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 paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987; and
- (b) "child care element" of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(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

58A

(1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and--

- (a) is a lone parent and is engaged in remunerative work;
- (b) is a member of a couple both of whom are engaged in remunerative work; or
- (c) is a member of a couple where one member is engaged in remunerative work and the other--
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he--

- (a) is paid statutory sick pay;
- (b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;
- (c) is paid an employment and support allowance;
- (d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987; or
- (e) is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

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

- (a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- (b) the first day of the period in respect of which earnings are credited,

as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (10).

- (6) The charges are paid by the applicant for care which is provided--
- (a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - (b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- (7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (8) and are not paid--
- (a) in respect of the child's compulsory education;
 - (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with paragraph 7 (circumstances in which a person is treated as responsible or not responsible for another); or
 - (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.
- (8) The care to which sub-paragraph (7) refers may be provided--
- (a) out of school hours, by a school on school premises or by a local authority--
 - (i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - (ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - (b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or
 - (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
 - (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010; or
 - (e) by--
 - (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010; or
 - (ii) local authorities registered under section 83(1) of that Act, where the care provided is child minding or day care of children within the meaning of that Act; or
 - (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
 - (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
 - (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
 - (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
 - (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of "childcare" for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or

(k) by a foster parent or kinship carer under the Fostering Services Regulations 2011, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or

(l) by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations; or

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

(9) In sub-paragraphs (6) and (8)(a), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

(10) Relevant child care charges must be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

(11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where--

(a) the applicant is a pensioner and the other member of the couple is aged not less than 80;

(b) the applicant is a pensioner and the other member of the couple is aged less than 80, and--

(i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and

(ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

(c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the 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;

(f) he is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;

(g) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013 for a continuous period of

not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;

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

(i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;

- (ii) attendance allowance under section 64 of the SSCBA;
 - (iii) severe disablement allowance under section 68 of the SSCBA;
 - (iv) disability living allowance under section 71 of the SSCBA;
 - (v) personal independence payment;
 - (vi) an AFIP;
 - (vii) increase of disablement pension under section 104 of the SSCBA;
 - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;
 - (ix) main phase employment and support allowance;
- (i) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (h) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;
- (j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for--
- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (ii) an abatement as a consequence of hospitalisation;
- (k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
- (l) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- (m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.
- (12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.
- (13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the person, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter to apply to him for so long as he has, or is treated as having, limited capability for work.
- (14) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person--

(a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for--

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
- (ii) an abatement as a consequence of hospitalisation;

(b) to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(c) who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(d) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave, shared parental 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 person'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 paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987; and
- (b) "child care element" of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph "applicant" does not include an applicant--

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

an award of universal credit.

Calculation of average weekly income from tax credits

59

- (1) This paragraph applies where an applicant receives a tax credit.
- (2) Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in sub-paragraph (3).
- (3) Where the instalment in respect of which payment of a tax credit is made is--
 - (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
 - (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
 - (c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
 - (d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.
- (4) For the purposes of this paragraph "tax credit" means child tax credit or working tax credit.

Disregard of changes in tax, contributions etc

60

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

- (a) in the basic or other rates of income tax;
- (aa) in the Scottish basic or other rates of income tax;
- (b) in the amount of any personal tax reliefs under Chapters 2, 3, and 3A of Part 3 of the Income Tax Act 2007;
- (c) in the rates of national insurance contributions payable under the SSCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, the lower or upper limits applicable to Class 4 contributions under that Act or the amount specified in section 11(4) of that Act (small profits threshold in relation to Class 2 contributions);
- (d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the SSCBA 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

61

(1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners: persons who are not pensioners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must be--

(a) in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;

(b) in the case of a self-employed earner who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less--

(i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions of self-employed earners); and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium;

(c) in the case of a self-employed earner who is not a pensioner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less--

(i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(2) There must be disregarded from the net profit of an applicant who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (9) applies, be calculated by taking into account the earnings of the employment over the assessment period less--

(a) subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of that employment;

(b) an amount in respect of--

(i) income tax; and

(ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(c) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(4) For the purposes of sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

(5) Subject to sub-paragraph (6), no deduction is to be made under sub-paragraph (3)(a) or (4), in respect of--

(a) any capital expenditure;

- (b) the depreciation of any capital asset;
 - (c) any sum employed or intended to be employed in the setting up or expansion of the employment;
 - (d) any loss incurred before the beginning of the assessment period;
 - (e) the repayment of capital on any loan taken out for the purposes of the employment;
 - (f) any expenses incurred in providing business entertainment; and
 - (g) in the case of an applicant who is not a pensioner, any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.
- (6) A deduction is to be made under sub-paragraph (3)(a) or (4) in respect of the repayment of capital on any loan used for--
- (a) the replacement in the course of business of equipment or machinery; or
 - (b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- (7) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (3)(a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- (8) For the avoidance of doubt--
- (a) a deduction must not be made under sub-paragraph (3)(a) or (4) in respect of any sum unless it has been expended for the purposes of the business;
 - (b) a deduction must be made thereunder in respect of--
 - (i) the excess of any value added tax paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment.
- (9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less--
- (a) an amount in respect of--
 - (i) income tax; and
 - (ii) national insurance contributions payable under the SSCBA,
- calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and
- (b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (10) For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments must not be offset against his earnings in any other of his employments.
- (11) The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium must be determined--

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

(12) In this paragraph, "qualifying premium" means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of application.

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

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

(4) In this paragraph "chargeable income" means--

- (a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under sub-paragraph (3)(a) or, as the case may be, (5) of paragraph 61;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

Chapter 7
Capital

Calculation of capital

63

- (1) The capital of an applicant to be taken into account must be, subject to sub-paragraph (2), the whole of his capital calculated in accordance with this Part and (in the case of persons who are not pensioners) any income treated as capital under paragraph 64 (income treated as capital: persons who are not pensioners).
- (2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in--
- (a) Schedule 9, in relation to pensioners;
 - (b) Schedule 10, in relation to persons who are not pensioners.
- (3) In the case of an applicant who is a pensioner, his capital is to be treated as including any payment made to him by way of arrears of--
- (a) child tax credit;
 - (b) working tax credit;
 - (c) state pension credit,

if the payment was made in respect of a period for the whole or part of which a reduction under this scheme was allowed before those arrears were paid.

- (4) The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

Income treated as capital: persons who are not pensioners

64

- (1) This paragraph applies in relation to persons who are not pensioners.
- (2) Any bounty derived from employment to which paragraph 9 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) applies and paid at intervals of at least one year is to be treated as capital.
- (3) Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E is to be treated as capital.
- (4) Any holiday pay which is not earnings under paragraph 41(1)(d) or 51(1)(d) (earnings of employed earners) is to be treated as capital.
- (5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 50 or 51 of Schedule 10 (capital disregards: persons who are not pensioners), any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.
- (6) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.
- (7) Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, is to be treated as capital.

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

(9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

(10) Any arrears of working tax credit or child tax credit must be treated as capital.

Calculation of capital in the United Kingdom

65

Capital which an applicant possesses in the United Kingdom is to be calculated at its current market or surrender value less--

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

Calculation of capital outside the United Kingdom

66

Capital which an applicant possesses in a country outside the United Kingdom must be calculated--

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

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

Notional capital

67

(1) An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to a reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with paragraph 68 (diminishing notional capital rule).

(2) A person who is a pensioner who disposes of capital for the purpose of--

- (a) reducing or paying a debt owed by the applicant; or
- (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,

is to be regarded as not depriving himself of it.

(3) Sub-paragraphs (4) to (6) apply in relation to applicants who are not pensioners.

(4) Except in the case of--

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 9; or

- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a); or
- (f) any sum to which paragraph 51(a) of Schedule 10 refers; or
- (g) child tax credit; or
- (h) working tax credit,

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

- (5) Any payment of capital, other than a payment of capital specified in sub-paragraph (6), made--
 - (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
 - (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of the family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- (6) Sub-paragraph (5) does not apply in respect of a payment of capital made--
 - (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund;
 - (b) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation--
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - (c) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;
 - (d) in respect of a person's participation in the Mandatory Work Activity Scheme;
 - (e) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
 - (f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where--

- (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
- (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
- (iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

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

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

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

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

Diminishing notional capital rule: pensioners

68

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

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

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

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

- (i) that week is a week subsequent to the relevant week; and
- (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

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

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

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

- (a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;
- (b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002 (notional capital);
- (c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (notional capital);
- (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and
- (e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under this scheme in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(b) is equal to the aggregate of--

- (a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 67(1);
- (b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;
- (c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to--
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;
- (d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and
- (e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation),

which includes the last day of the relevant week, the amount to which he would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by--

- (a) dividing the relevant amount by the number equal to the number of days in that part-week, and
- (b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under that sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case--

- (a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and
- (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that--

- (a) a further application is made 26 or more weeks after--
 - (i) the date on which the applicant made an application in respect of which he was first treated as possessing the capital in question under paragraph 67(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

- (b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

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

(10) For the purposes of this paragraph--

"part-week"--

- (a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction in council tax under this scheme is allowed;
- (b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;
- (c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means--
 - (i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - (ii) any other period of less than a week for which it is payable;

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

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

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

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Diminishing notional capital rule: persons who are not pensioners

69

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

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

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

- (b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where--
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

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

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

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

- (a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;
- (b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
- (c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (notional capital);
- (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-

based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and

(e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is not a pensioner and would have been entitled to a reduction in council tax in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of--

(a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to--

(i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or

(ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;

(c) if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and

(e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by--

(a) dividing the relevant amount by the number equal to the number of days in that part-week, and

(b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case--

(a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that--

(a) a further application is made 26 or more weeks after--

(i) the date on which the applicant made an application for a reduction under this scheme in respect of which he was first treated as possessing the capital in question under paragraph 67(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which he last made an application under this scheme which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

(b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (6) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

(10) For the purposes of this paragraph--

"part-week"--

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

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

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

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

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

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

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

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

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Capital jointly held

70

Except where an applicant possesses capital which is disregarded under paragraph 67(7) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Chapter apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

Calculation of tariff income from capital: pensioners

71

The capital of an applicant who is a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income of--

- (a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and
- (b) £1 for any excess which is not a complete £500.

Calculation of tariff income from capital: persons who are not pensioners

72

The capital of an applicant who is not a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income of--

- (a) £1 for each £250 in excess of £6,000 but not exceeding £10,000;
- (b) £1 for any excess which is not a complete £250.

**Part 11
Students**

**Chapter 1
General**

Interpretation

73

(1) In this Part--

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

"access funds" means--

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

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

"contribution" means--

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

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

"covenant income" means the gross income payable to a full-time student under a Deed of 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 department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

"full-time course of study" means a full-time course of study which--

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, 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 agreement 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 college of further education and involves--
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

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

"grant" (except in the definition of "access funds") means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

"grant income" means--

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

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

"last day of the course" means--

- (a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;

(b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

"period of study" means--

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

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

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

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

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

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

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

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

"standard maintenance grant" means--

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

(b) except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;

(c) in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as "standard maintenance allowance" for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the Student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;

(d) in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

"student" means a person, other than a person in receipt of a training allowance, who is attending or undertaking--

(a) a course of study at an educational establishment; or

(b) a qualifying course;

"student loan" means a loan towards a student's maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (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' Allowances (Scotland) Regulations 2007.

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

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

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

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

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

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

(a) where a person has failed examinations or has failed successfully to complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;

(b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

(4) In sub-paragraph (2), "modular course" means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

Treatment of students

74

This scheme has effect in relation to students who are not pensioners subject to the following provisions of this Part.

Students who are excluded from entitlement to a reduction under this scheme

75

(1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7)--

(a) full-time students, and

(b) students who are persons treated as not being in Great Britain.

(2) Sub-paragraph (1)(b) does not apply to a student--

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

- (b) who is a lone parent;
- (c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
- (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
- (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
- (i) who is--
 - (i) aged under 21 and whose course of study is not a course of higher education,
 - (ii) aged 21 and attained that age during a course of study which is not a course of higher education, or
 - (iii) a qualifying young person or child within the meaning of section 142 of the SSCBA (child and qualifying young person);
- (j) in respect of whom--
 - (i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) of regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
 - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or
 - (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

- (3) Sub-paragraph (2)(i)(ii) only applies to an applicant until the end of the course during which the applicant attained the age of 21.
- (4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(e) applies to a full-time student, if

he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph must, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

(5) In sub-paragraph (2)(i) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

(6) A full-time student to whom sub-paragraph (2)(i) applies must be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

(7) Sub-paragraph (1)(b) does not apply to a full-time student for the period specified in sub-paragraph (8) if--

(a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is--

(i) engaged in caring for another person; or

(ii) ill;

(b) he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

(c) he is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).

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

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

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

whichever first occurs.

Chapter 2 Income

Calculation of grant income

76

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

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

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

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

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

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

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

- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of his attendance on the course;
- (h) intended for the child care costs of a child dependant;
- (i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.

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

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the costs of books and equipment,

whether or not any such costs are incurred.

(4) There must also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.

(5) Subject to sub-paragraphs (6) and (7), a student's grant income must be apportioned--

- (a) subject to sub-paragraph (8), in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

(6) Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

(7) In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither sub-paragraph (6) nor paragraph 80(2) (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

(8) In the case of a student on a sandwich course, any periods of experience within the period of study must be excluded and the student's grant income must be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

Calculation of covenant income where a contribution is assessed

77

(1) Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following must be the whole amount of the covenant income less, subject to sub-paragraph (3), the amount of the contribution.

(2) The weekly amount of the student's covenant must be determined--

- (a) by dividing the amount of income which falls to be taken into account under sub-paragraph (1) by 52 or 53, whichever is reasonable in the circumstances; and
- (b) by disregarding £5 from the resulting amount.

(3) For the purposes of sub-paragraph (1), the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 76(2)(g) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

Covenant income where no grant income or no contribution is assessed

78

(1) Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows--

- (a) any sums intended for any expenditure specified in paragraph 76(2)(a) to (e) necessary as a result of his attendance on the course must be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;
- (c) there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 76(2)(f) and (3) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.

(2) Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income must be calculated in accordance with paragraphs (a) to (d) of sub-paragraph (1), except that--

- (a) the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 76(2)(a) to (e); and
- (b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 76(2)(f) and (g) and (3).

Relationship with amounts to be disregarded under Schedule 8

79

No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 8 (disregard of certain charitable and voluntary, etc, payments).

Other amounts to be disregarded

80

(1) For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 81 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 76(2) (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.

(2) But sub-paragraph (1) applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 76(2) or (3), 77(3), 78(1)(a) or (c) or 81(5) (calculation of grant income, covenant income and treatment of student loans) on like

expenditure.

Treatment of student loans

81

- (1) A student loan is to be treated as income.
- (2) In calculating the weekly amount of the loan to be taken into account as income--
 - (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period is to be apportioned equally between the weeks in the period beginning with--
 - (i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year is to be apportioned equally between the weeks in the period--
 - (i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and
 - (ii) ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year,

but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year is to be apportioned equally between the weeks in the period beginning with--
 - (i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

- (d) in any other case, the loan is to be apportioned equally between the weeks in the period beginning with the earlier of--
 - (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

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

(3) A student is to be treated as possessing a student loan in respect of an academic year where--

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

(4) Where a student is treated as possessing a student loan under sub-paragraph (3), the amount of the student loan to be taken into account as income must be, subject to sub-paragraph (5)--

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to--
 - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if--
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
 - (ii) no deduction in that loan was made by virtue of the application of a means test.

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

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the cost of books and equipment,

whether or not any such costs are incurred.

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

Treatment of payments from access funds

82

(1) This paragraph applies to payments from access funds that are not payments to which paragraph 85(2) or (3) (income treated as capital) applies.

(2) A payment from access funds, other than a payment to which sub-paragraph (3) applies, must be disregarded as income.

(3) Subject to sub-paragraph (4) of this paragraph and paragraph 40 of Schedule 8 (disregards in the calculation of income other than earnings: persons who are not pensioners)--

- (a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family, and
- (b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable,

must be disregarded as income to the extent of £20 per week.

(4) Where a payment from access funds is made--

- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
- (b) before the first day of the course to a person in anticipation of that person becoming a student,

that payment must be disregarded as income.

Disregard of contribution

83

Where the applicant or his partner is a student and, for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution must be disregarded for the purposes of assessing that other partner's income.

Further disregard of student's income

84

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

Income treated as capital

85

- (1) Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.
- (2) An amount paid from access funds as a single lump sum must be treated as capital.
- (3) An amount paid from access funds as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

Disregard of changes occurring during summer vacation

86

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

Part 12
Extended Reductions

Chapter 1
Extended Reductions: Pensioners

Extended reductions: pensioners

87

Paragraphs 88 to 93 apply in relation to applicants who are pensioners.

Extended reductions (qualifying contributory benefits): pensioners

88

(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes A to C is entitled to an extended reduction (qualifying contributory benefits) where--

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner--
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,

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

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

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

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

- (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): pensioners

89

- (1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends--
 - (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): pensioners

90

- (1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of--
 - (a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within any of classes A to C in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
 - (b) the amount of reduction under this scheme to which the applicant would be entitled under by virtue of falling within any of classes A to C for any reduction week during the extended reduction period, if paragraph 88 (extended reductions (qualifying contributory benefits): pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes A to C, if paragraph 88 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
- (3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, the authority must not award a reduction in pursuance of that application during the extended reduction period.

Extended reductions (qualifying contributory benefits)--movers: pensioners

91

- (1) This paragraph applies--
 - (a) to a mover; and
 - (b) from the Monday following the day of the move.
- (2) The amount of the extended reduction (qualifying contributory benefits) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

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

- (a) the second authority; or
- (b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C

92

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

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

Continuing reductions where state pension credit claimed: pensioners

93

(1) This paragraph applies where--

- (a) the applicant is entitled to a reduction under this scheme;
- (b) sub-paragraph (2) is satisfied; and
- (c) either--
 - (i) the applicant has attained the qualifying age for state pension credit; or
 - (ii) the applicant's partner has actually claimed state pension credit.

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

- (a) the applicant's award of--
 - (i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or
 - (ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit; and
- (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.

(4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)--

- (a) the whole of the income and capital of the applicant is to be disregarded;
- (b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.

(6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated--

- (a) the applicant's council tax liability has increased; or
- (b) a change in the deduction under paragraph 30 falls to be made.

Chapter 2

Extended Reductions: Persons Who are Not Pensioners

Extended reductions: persons who are not pensioners

94

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

Extended reductions: persons who are not pensioners

95

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

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner--
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,

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

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

(2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

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

(4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling

within any of classes D to F where--

- (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

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

Duration of extended reduction period: persons who are not pensioners

96

- (1) Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends--
 - (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

Amount of extended reduction: persons who are not pensioners

97

- (1) For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of--
 - (a) the amount of the reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
 - (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 95 (extended reductions: persons who are not pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 95 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
- (3) Where an applicant is in receipt of an extended reduction under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

Extended reductions--movers: persons who are not pensioners

98

- (1) This paragraph applies--
 - (a) to a mover; and
 - (b) from the Monday following the day of the move.
- (2) The amount of the extended reduction awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income-related benefit.
- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to--
 - (a) the second authority; or
 - (b) the mover directly.

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

99

- (1) Where an applicant's entitlement to a reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 95(1)(b), that entitlement does not cease until the end of the extended reduction period.
- (2) Paragraphs 106 and 107 do not apply to any extended reduction payable in accordance with paragraph 95(1)(a) or 98(2) (amount of extended reduction--movers: persons who are not pensioners).

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

100

- (1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is entitled to an extended reduction (qualifying contributory benefits) where--
 - (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
 - (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner--
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,

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

- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

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

- (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

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

101

- (1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends--
 - (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant entitled to the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

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

102

- (1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of--
 - (a) the amount of reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
 - (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 100 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 100 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
- (3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

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

103

(1) This paragraph applies--

- (a) to a mover; and
- (b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

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

- (a) the second authority; or
- (b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to F

104

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

(2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction--movers: persons who are not pensioners).

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.

When Entitlement Begins and Change of Circumstances

Date on which entitlement begins

106

- (1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.
- (2) Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

Tolerance for changes in circumstances for working age claimants

106A

Where any change of circumstances occurs which would result in an increase or decrease in a working age claimant's entitlement of less than £3.25 per week, no change in council tax reduction will be effected until such time as the total changes cumulatively amount to at least £3.25 per week. Where this occurs, the change will be effective from the date of the last change.

Date on which change of circumstances is to take effect

107

- (1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc) applies and subject to the following provisions of this paragraph and (in the case of applicants who are pensioners) paragraph 108 (change of circumstance where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.
- (2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.
- (3) Subject to sub-paragraph (4), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.
- (4) Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under section 11 or 11A of that Act (discounts), it takes effect from the day on which the change in amount has effect.
- (5) Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.
- (6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
- (7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

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

(9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(10) Sub-paragraph (11) applies if--

- (a) the applicant or his partner has attained the age of 65; and
- (b) either--
 - (i) a non-dependant took up residence in the applicant's dwelling; or
 - (ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 30 increased.

(11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.

(12) In sub-paragraph (11), but subject to sub-paragraph (13), "the effective date" means--

- (a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since--
 - (i) the date on which the applicant's entitlement to a reduction under this scheme first began; or
 - (ii) the date which was the last effective date in respect of such a change,

whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;

- (b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.

(13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.

(14) Sub-paragraphs (15) to (19) apply to persons who fall within classes D, E and F.

(15) Where--

- (a) the change of circumstances is a change of circumstances that is required by this scheme to be notified, and
- (b) that change of circumstances is notified more than one month after it occurs, or such longer period as may be allowed under sub-paragraph (16), and
- (c) the superseding decision is advantageous to the claimant

the date of notification of the change of circumstances shall be treated as the date on which the change of circumstances occurred.

(16) Subject to sub-paragraph (18), for the purposes of making a decision under this scheme a longer period of time may be allowed for the notification of a change of circumstances in so far as it

affects the effective date of the change where the conditions specified in sub-paragraph (17) are satisfied. An application for the purposes of this sub-paragraph shall include:

- (a) particulars of the change of circumstances and the reasons for the failure to notify the change of circumstances on an earlier date, and
 - (b) be made within 3 months of the date on which the change occurred.
- (17) In determining whether it is reasonable to grant an application for the purposes of sub-paragraph (16), the authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the change of circumstances occurred and the date the application for a superseding decision is made, the more compelling should be the special circumstances on which the application is based. An application shall not be granted unless the authority is satisfied that—
- (a) it is reasonable to grant the application;
 - (b) that change of circumstances notified by the applicant is relevant to the decision which is to be superseded; and
 - (c) special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to notify the change of circumstances within one month of the change occurring.
- (18) In determining whether it is reasonable to grant an application, no account shall be taken of the following—
- (a) that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by this scheme); or
 - (b) that the Valuation Tribunal or a court has taken a different view of the law from that previously understood and applied.
- (19) An application under this part which has been refused may not be renewed.

Change of circumstances where state pension credit in payment

108

- (1) Sub-paragraphs (2) and (3) apply where--
- (a) the applicant is in receipt of state pension credit;
 - (b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and
 - (c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under this scheme.
- (2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in--
- (a) an increase in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or
 - (b) a decrease in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which--
 - (i) the local authority receives notification from the Secretary of State of the increase in the

amount of state pension credit; or

(ii) state pension credit is increased,

whichever is the later.

(3) Where the change of circumstance ("the relevant change") is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces--

(a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or

(b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which--

(i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or

(ii) state pension credit is reduced,

whichever is the later.

(4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction he receives under this scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which--

(a) the authority receives notification from the Secretary of State of the award of state pension credit; or

(b) entitlement to state pension credit begins,

whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is--

(a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and

(b) a change of circumstances which is a relevant determination,

each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in sub-paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the pre-

ceding provisions of this paragraph within the 4 week period specified in paragraph 93 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.

(9) In this paragraph--

"official error" means an error made by--

(a) the authority or a person--

- (i) authorised to carry out any function of the authority relating to this scheme; or
- (ii) providing services relating to this scheme directly or indirectly to the authority; or

(b) an officer of--

- (i) the Department for Work and Pensions; or
- (ii) the Commissioners of Inland Revenue,

acting as such,

but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

"relevant calculation or estimate" means the calculation or estimate made by the Secretary of State of the applicant's or, as the case may be, the applicant's partner's income and capital for the purposes of the award of state pension credit;

"relevant determination" means a change in the determination by the authority of the applicant's income and capital using the relevant calculation or estimate, in accordance with paragraph 36(1).

Part 14

Applications (Including Duties to Notify Authority of Change of Circumstances)

Making an application

109

(1) In the case of--

(a) a couple or (subject to paragraph (b)) members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines; or

(b) in the case of members of a polygamous marriage to whom paragraph 37 (income and capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

(2) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and--

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

(b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or

(c) an attorney with a general power or a power to apply or, as the case may be, receive benefit,

has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.

(3) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under this scheme and to receive and deal on his behalf with any sums payable to him.

(4) Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

(5) Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4)--

- (a) it may at any time revoke the appointment;
- (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
- (c) any such appointment must terminate when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

(6) Anything required by this scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

(7) The authority must--

- (a) inform any person making an application of the duty imposed by paragraph 115(1)(a);
- (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
- (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

Date on which an application is made

110

(1) Subject to sub-paragraph (7), the date on which an application is made is--

- (a) in a case where--
 - (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and
 - (ii) the application is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;
- (b) in a case where--
 - (i) an applicant or his partner is a person in receipt of a guarantee credit,
 - (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling

which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where--

(i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and

(ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

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

(d) in a case where--

(i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where--

(i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

(ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which the application is received at the designated office.

(2) For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under--

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 1 to this scheme (application by telephone)--

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

(4) The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

(5) The conditions are that--

(a) where paragraph 4(a) of Schedule 1 (incomplete form) applies, the authority receives at its designated office the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

(b) where paragraph 4(b) of Schedule 1 (application not on approved form or further information requested by authority) applies--

(i) the approved form sent to the applicant is received at the designated office properly completed within one month of it having been sent to him; or, as the case may be,

(ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request,

or, in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its designated office the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

(6) Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.

(7) Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under this scheme for a period beginning not later than--

(a) in the case of an application made by--

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,

the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,

the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

(8) In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims for income support, a jobseeker's allowance or an employment and support allowance.

Back-dating of applications: pensioners

111

(1) Subject to sub-paragraph (2), the time for the making of an application under this scheme by a pensioner is as regards any day on which, apart from satisfying the condition of making an application, the applicant is entitled to such a reduction, that day and the period of three months immediately following it.

(2) In any case where paragraph 110(1)(a) applies, sub-paragraph (1) does not entitle a person to apply for a reduction under this scheme in respect of any day earlier than three months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987).

Back-dating of applications: persons who are not pensioners

112

(1) Where an applicant who is a person who is not a pensioner--

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

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

(2) That date is the latest of--

- (a) the first day from which the applicant had continuous good cause;
- (b) the day 12 months before the date the application was made;
- (c) the day 12 months before the date when the applicant requested that the application should include a past period.

Information and evidence

113

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

(2) This sub-paragraph is satisfied in relation to a person if--

- (a) the application is accompanied by--
 - (i) a statement of the person's national insurance number and information or evidence 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 reduction under this scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

(5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

(6) Where a request is made under sub-paragraph (4), the authority must--

(a) inform the applicant or the person to whom a reduction under this scheme has been awarded of his duty under paragraph 115 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and

(b) without prejudice to the extent of the duty owed under paragraph 115, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which is to be notified.

(7) This sub-paragraph applies to any of the following payments--

(a) a payment which is--

(i) disregarded under paragraph 28 of Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or

(ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust 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 deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information--

- (a) the name and address of the pension fund holder;
- (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

Amendment and withdrawal of application

114

(1) A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

(2) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the amendment may also be made by telephone.

(3) Any application amended in accordance with sub-paragraph (1) or (2) is to be treated as if it had been amended in the first instance.

(4) A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

(5) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

(7) Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

Duty to notify changes of circumstances

115

(1) Subject to sub-paragraphs (3), and (9), the applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time--

- (a) between the making of an application and a decision being made on it, or
- (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under this scheme) including at any time while the applicant is in receipt of such a reduction.

(2) The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under this scheme (a "relevant change of circumstances") by giving notice to the authority--

- (a) in writing; or

(b) by telephone--

- (i) where the authority has published a telephone number for that purpose or for the purposes of Part 1 of Schedule 1 unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
- (ii) in any case or class of case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case,

within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(3) The duty imposed on a person by sub-paragraph (1) does not extend to notifying--

- (a) changes in the amount of council tax payable to the authority;
- (b) changes in the age of the applicant or that of any member of his family;
- (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

(5) Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

(6) The duty imposed on a person by sub-paragraph (1) includes--

- (a) in the case of a person falling within class C (pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs;
- (b) in the case of a person falling within class F (persons who are not pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the date when this occurs.

(7) A person who has been awarded a reduction under this scheme who is also on state pension credit must report--

- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;
- (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks or where the absence 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 reduction under this scheme allowed in his case, but not changes in the age of the child;
- (b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £16,000;

(c) any change in the income or capital of--

(i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 34 (circumstances in which income of a non-dependant is to be treated as applicant's); or

(ii) a person to whom paragraph 36(2)(e) (partner treated as member of the household under paragraph 8) refers,

and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(9) A person who is entitled to a reduction under this scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).

Part 15

Decisions by Authority

Decision by authority

116

The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 110 and 113 and Part 1 of Schedule 1 being satisfied, or as soon as reasonably practicable thereafter.

Notification of decision

117

(1) The authority must notify in writing any person affected by a decision made by it under this scheme--

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

(2) Where the decision is to award a reduction the notification under sub-paragraph (1) must include a statement--

(a) informing the person affected of the duty imposed by paragraph 115(1)(b);

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

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

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

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

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

- (6) The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.
- (7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).
- (8) This sub-paragraph applies to--
- (a) the applicant;
 - (b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act--
 - (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or
 - (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
 - (c) a person appointed by the authority under paragraph 109(3).

Part 16

Circumstances in Which a Payment May be Made

Payment where there is joint and several liability

118

- (1) Where--
- (a) a person is entitled to a reduction under this scheme in respect of his liability for the authority's council tax as it has effect in respect of a financial year;
 - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
 - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers would be inappropriate,

it may make a payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

- (2) Subject to sub-paragraph (3), any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.
- (3) Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 109(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 109(5), the amount of the reduction may be paid to that person.

**SCHEDULE 1
PROCEDURAL MATTERS**

Paragraph 11

**Part 1
Procedure for an Application for a Reduction Under this Scheme**

Procedure by which a person may apply for a reduction under this scheme

1

Paragraphs 2 to 7 apply to an application for a reduction under this scheme.

2

An application may be made--

- (a) in writing,
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

3

- (1) An application which is made in writing must be made to the designated office on a properly completed form.
- (2) The form must be provided free of charge by the authority for the purpose.

4

Where an application made in writing is defective because--

- (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
- (b) it was made in writing but not on the form supplied for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

- (2) An application made on a form provided by the authority is properly completed if completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

5

- (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.
- (2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

6

In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

7

- (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
- (2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

Part 2

Procedure for Making an Appeal

Procedure by which a person may make an appeal against certain decisions of the authority

8

A person who is aggrieved by a decision of the authority which affects--

- (a) the person's entitlement to a reduction under this scheme, or
- (b) the amount of any reduction under this scheme,

may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

9

The authority must--

- (a) consider the matter to which the notice relates;
- (b) notify the aggrieved person in writing--
 - (i) that the ground is not well founded, giving reasons for that belief; or
 - (ii) that steps have been taken to deal with the grievance, stating the steps taken.

10

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

Part 3
Procedure for Applying for a Discretionary Reduction

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

11

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

- (a) in writing;
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule; or
- (c) where the authority has published a telephone number for the purposes of receiving such applications, by telephone.

(2) Where--

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
- (b) a person in that class would otherwise be entitled to a reduction under this scheme,

that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A(1)(c).

Part 4
Electronic Communication

Interpretation

12

In this Part--

"information" includes an application, certificate, notice or other evidence;

"official computer system" means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13

(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

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

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

(4) The second condition is that the person uses an approved method of--

- (a) authenticating the identity of the sender of the communication;

- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

(5) The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this Part of this Schedule.

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

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

(8) In this paragraph "approved" means approved by means of a direction given by the Chief Executive of the authority for the purposes of this Part of this Schedule.

Use of intermediaries

14

The authority may use intermediaries in connection with--

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

Effect of delivering information by means of electronic communication

15

(1) Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of this scheme, on the day the conditions imposed--

- (a) by this Part; and
- (b) by or under an enactment,

are satisfied.

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

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

Proof of identity of sender or recipient of information

16

If it is necessary to prove, for the purpose of any legal proceedings, the identity of--

- (a) the sender of any information delivered by means of an electronic communication to an official

computer system; or

(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,

the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

Proof of delivery of information

17

(1) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this must be presumed to have been the case where--

(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

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

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

Proof of content of information

18

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

SCHEDULE 2
APPLICABLE AMOUNTS: PENSIONERS

Paragraph 25

Part 1
Personal Allowances

Personal allowance**1**

The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 25(1)(a).

<i>Column (1)</i> <i>Person or couple</i>	<i>Column (2)</i> <i>Amount</i>
(1) Single applicant or lone parent who has attained pensionable age before 1 st April 2021	£197.10
(2) Couple where one or both members have attained pensionable age before 1 st April 2021	£294.90
(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 before 1 st April 2021—	
(a) for the applicant and the other party to the marriage;	(a) £294.90;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £97.80.
(4) Single applicant or lone parent who has attained pensionable age on or after 1 st April 2021	£182.60
(5) Couple where both members have attained pensionable age on or after 1 st April 2021s	£278.70
(6) If the applicant is a member of a polygamous marriage and all members of the marriage have attained pensionable age on or after 1 st April 2021—	
(a) for the applicant and the other party to the marriage;	(a) £278.70
(b) for each additional spouse who is a member of the same household as the applicant	(b) £96.10

Child or young person amounts**2**

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

<i>Column (1)</i> <i>Child or young person</i>	<i>Column (2)</i> <i>Amount</i>
Person in respect of the period--	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	(a) £70.80;

- (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) £70.80.
-

(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 £17.85 in respect of a reduction week which begins in the period beginning with 1st April 2016 and ending with 30th April 2016;
- (b) is nil in respect of a reduction week which begins after 1st May 2016.

Transitional provision

3 A

(1) Subject to paragraph (2), paragraph 3 does not apply to a person who, on 30th April 2016, is liable to pay council tax at a reduced rate by virtue of a council tax reduction under the authority's scheme established under section 13A(2) of the Act and is—

- (a) a member of a family of which at least one member is a child or young person; or
- (b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if—

- (a) sub-paragraph (a) or (b) of that paragraph ceases to apply; or
- (b) the person makes a new application for a reduction under the authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this paragraph—

- (a) "the Act" means the Local Government Finance Act 1992;
- (b) "child", "family", "partner", "polygamous marriage" and "young person" have the meanings given by Part 2 ('Interpretation') of this scheme.

Part 3 Premiums

4

The premiums specified in Part 4 are, for the purposes of paragraph 25(1)(d), applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for--

(a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provision of those Regulations, he would be in receipt of that benefit; and

(b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973, or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 9, a person is to be treated as being in receipt of a carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the care component of child disability payment at the highest or middle rate in accordance with regulation 11(5) of the DACYP Regulations, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP.

Severe disability premium

6

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

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

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

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; and

(ii) subject to sub-paragraph (6), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 in respect of caring for him;

(b) in the case of an applicant who has a partner--

(i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP;

- (ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and
- (iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer element in respect of caring for only one of the couple or, if he is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance or has such an award of universal credit in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if he is registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994.

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of--

- (a) a person receiving attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; or
- (b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated--

- (a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;
- (b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if he would, but for his being a patient for a period exceeding 28 days, be so in receipt, notwithstanding section 86 of that Act and regulations made thereunder;
- (c) as being in receipt of an AFIP if he would be so in receipt but for a suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- (d) as being entitled to and in receipt of a carer's allowance or having an award of universal credit which includes the carer element if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt or have such an award of universal credit.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (b)--

- (a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and
- (b) a reference to a person being in receipt of a carer's allowance or as having an award of universal credit which includes the carer element include reference to a person who would have been in receipt of that allowance or had such an award of universal credit but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit).

Enhanced disability premium**7**

(1) The condition is that--

- (a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act;
- (aa) the care component of child disability payment is payable at the highest rate in accordance with regulation 11(5) of the DACYP Regulations; or
- (b) (as the case may be) the daily living component of personal independence payment is, or would, but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act,

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

Disabled child premium**8**

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household--

- (a) is in receipt of disability living allowance, personal independence payment or is no longer in receipt of such allowance or payment because he is a patient, provided that the child or young person continues to be a member of the family; or
- (aa) is in receipt of child disability payment; or
- (b) is blind within the meaning of paragraph 6(4) or treated as blind in accordance with paragraph 6(5); or
- (c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium**9**

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance.

(2) Where a carer premium has been awarded but--

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance,

this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is--

- (a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or beginning with the date of death if the date occurred on a Sunday);
- (b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.

(4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

Persons in receipt of concessionary payments

10

For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Person in receipt of benefit

11

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

Part 4

Amounts of Premium Specified in Part 3

12

(1) Severe Disability Premium--

<i>Provision</i>	<i>Amount</i>
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	(a) £69.40;
(b) where the applicant satisfies the condition in paragraph 6(2)(b)--	(b)
(i) in a case where there is someone in receipt of a carer's allowance or who has an award of universal credit which includes the carer element under regulation 29 of	(i) £69.40;

the Universal Credit Regulations 2013 or if he or any partner satisfies that condition only by virtue of paragraph 6(7);

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(ii) in a case where there is no-one in receipt of such an allowance or such an award of universal credit.</p> <p>(2) Enhanced disability premium.</p> <p>(3) Disabled Child Premium.</p> <p>(4) Carer Premium.</p> | <p>(ii) £138.80.</p> <p>(2) £27.44 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 are satisfied.</p> <p>(3) £68.04 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied</p> <p>(4) £38.85 in respect of each person who satisfies the condition specified in paragraph 9.</p> |
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SCHEDULE 3
APPLICABLE AMOUNTS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 26

Part 1
Personal Allowances

1

The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 26(1)(a) and 27(1)(a) and (b)--

<i>Column (1)</i> <i>Person or couple</i>	<i>Column (2)</i> <i>Amount</i>
(1) A single applicant who-- (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.	<i>Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time</i>
(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.

3

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

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

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

Part 2
Family Premium

4

(1) The amount for the purposes of paragraphs 26(1)(c) and 27(1)(d) in respect of a family of which at least one member is a child or young person is--

- (a) where the applicant is a lone parent to whom sub-paragraph (2) applies,
- (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 Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as in force on that date; or
- (b) on becoming entitled to council tax benefit where that lone parent--
 - (i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and
 - (ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006,

and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.

(3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6th April 1998--

- (a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to
 - (i) council tax benefit (in relation to the period prior to 1st April 2013), and
 - (ii) a reduction under a scheme made by this authority (in relation to the period commencing on 1st April 2013);
- (b) the applicant has not ceased to be a lone parent;
- (c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and support allowance or a combination of those benefits;
- (d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and
- (e) a premium under paragraph 9 or a component under paragraph ~~24~~ 22 has not become applicable to the applicant.

(4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where he was not, or had ceased to be, so entitled and--

- (a) throughout that period, he had been awarded housing benefit and his applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or

(b) he would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and his applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

Part 3 Premiums

5

Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraphs 26(1)(d) and 27(1)(e) (premiums), applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.

6

Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is applicable to him and, if they are different amounts, the higher or highest amount applies.

7

The following premiums, namely--

- (a) a severe disability premium to which paragraph 11 applies;
- (b) an enhanced disability premium to which paragraph 12 applies;
- (c) a disabled child premium to which paragraph 13 applies; and
- (d) a carer premium to which paragraph 14 applies,

may be applicable in addition to any other premium which may apply under this Schedule.

8

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for--

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973 or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012.

Disability premium

9

The condition is that--

- (a) where the applicant is a single applicant or a lone parent, he has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 is satisfied; or
- (b) where the applicant has a partner, either--
 - (i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) or (b) is satisfied by him; or
 - (ii) his partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) is satisfied by his partner.

Additional condition for the disability premium

10

(1) Subject to sub-paragraph (2) and paragraph 8, the additional condition referred to in paragraph 9 is that either--

- (a) the applicant or, as the case may be, his partner--
 - (i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or
 - (ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act 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 by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(b) the applicant--

(i) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work); and

(ii) has been incapable, or has been treated as incapable, of work for a continuous period of not less than--

(aa) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;

(bb) in any other case, 364 days.

(2) For the purposes of sub-paragraph (1)(a)(vii), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, if he then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work he is, on again becoming so incapable of work, immediately thereafter to be treated as satisfying the condition in sub-paragraph (1)(b).

(4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, he is to continue to be treated as satisfying that condition for any period spent by him in undertaking a course of training provided under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(5) For the purposes of sub-paragraph (1)(b), where any two or more periods of incapacity are separated by a break of not more than 56 days, those periods are to be treated as one continuous period.

(6) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of section 30B(4)(a) of the Act (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt of short-term incapacity benefit at such a rate but for the fact that the rate of short-term incapacity benefit already payable to him is or was equal to or greater than the long-term rate.

(7) In the case of an applicant who is a welfare to work beneficiary (a person to whom regulation 13A(1) of the Social Security (Incapacity for Work) (General) Regulations 1995 applies, and who again becomes incapable of work for the purposes of Part 12A of the SSCBA)--

(a) the reference to a period of 8 weeks in sub-paragraph (3); and

(b) the reference to a period of 56 days in sub-paragraph (5),

in each case is to be treated as a reference to a period of 104 weeks.

(8) The applicant is not entitled to the disability premium if he has, or is treated as having, limited capability for work.

Severe disability premium

11

- (1) The condition is that the applicant is a severely disabled person.
- (2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if--
 - (a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)--
 - (i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
 - (ii) subject to sub-paragraph (4), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and
 - (iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA in respect of caring for him;
 - (b) in the case of an applicant who has a partner--
 - (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
 - (ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, all the partners of that marriage are in receipt of such an allowance; and
 - (iii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any partner of a polygamous marriage.
- (3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if he were not a partner of the applicant.
- (4) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of--
 - (a) a person receiving attendance allowance, or disability living allowance by virtue of the care component at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012; or
 - (b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) and (2).
- (5) For the purposes of sub-paragraph (2)(b) a person is to be treated--
 - (a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP if he would, but for his being a patient for a period exceeding

28 days, be so in receipt;

(b) as being entitled to and in receipt of a carer's allowance if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.

(6) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b), no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid.

(7) In sub-paragraph (2)(a)(iii) and (b), references to a person being in receipt of a carer's allowance include references to a person who would have been in receipt of that allowance but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit provisions).

Enhanced disability premium

12

(1) Subject to sub-paragraph (2), the condition is that--

(a) the Secretary of State has decided that the applicant has, or is to be treated as having, limited capability for work-related activity; or

(b) the care component of disability living allowance is, or would be payable at the highest rate prescribed under section 72(3) of the SSCBA, but for a suspension of benefit in accordance with regulations made under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation be payable at the highest rate prescribed under section 72(3) of the SSCBA in respect of--

(i) the applicant; or

(ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit; or

(c) the daily living component of personal independence payment is, or would be payable at either rate under Part 4 of the Welfare Reform Act 2012, but for a suspension of benefit in accordance with section 86 of the Welfare Reform Act 2012 in respect of--

(i) the applicant; or

(ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

(3) The condition is not satisfied if the person to whom sub-paragraph (1) refers is--

(a) an applicant who--

(i) is not a member of a couple or a polygamous marriage; and

(ii) is a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges) and has been for a period of more than 52 weeks; or

(b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11)(i) and has been for a period of more than 52 weeks.

Disabled child premium

13

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household--

- (a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or
- (b) is blind or treated as blind within the meaning of paragraph 10; or
- (c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

14

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but--

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance,

the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is--

- (a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;
- (b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which--

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

Persons in receipt of concessionary payments**15**

For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another**16**

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

Part 4
Amounts of Premiums Specified in Part 3

17

<i>Premium</i>	<i>Amount</i>
(1) Disability Premium--	
(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>Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time</i>
(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 11(5);	
(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	

**Part 5
The Component**

18

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 allowance;
- (b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity; and
- (c) either--
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 (circumstances where the condition that the assessment phase has ended before entitlement to the support component arises does not apply) applies.

19

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

20

- (1) The applicant has no entitlement under paragraph ~~24~~ or 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10.
- (2) Where the applicant and the applicant's partner each satisfies paragraph ~~24~~ or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

The work-related activity component

21

Not in use

The support component

22

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

Part 6 Amount of 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

25

(1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")--

- (a) is entitled to a converted employment and support allowance; or
- (b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2008 and--
 - (i) is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2008; and
 - (ii) is not in receipt of an income-related employment and support allowance,

unless the amount of the transitional addition calculated in accordance with paragraph 28 would be nil.

(2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of reduction under this scheme;
- (c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5th April 2020.

26

(1) This paragraph applies where--

- (a) the applicant's entitlement to a transitional addition ends, by virtue of the termination of the applicant's award of reduction, under--
 - (i) paragraph 25(2)(b);
 - (ii) sub-paragraph (3)(b); or
 - (iii) paragraph 27(3)(b);
- (b) within 12 weeks of that termination but before 5th April 2020 the applicant again becomes entitled to a reduction under this scheme;
- (c) in the reduction week in which the applicant again becomes entitled to a reduction under this scheme the relevant person is entitled to an employment and support allowance which is not income-related; and
- (d) at the date on which the applicant again becomes entitled to a reduction under this scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under this scheme, to a transitional addition of the

amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of a reduction under this scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5th April 2020.

27

(1) This paragraph applies where--

- (a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under--
 - (i) paragraph 25(2)(c);
 - (ii) paragraph 26(3)(c); or
 - (iii) sub-paragraph (3)(c);
- (b) before 5th April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;
- (c) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and
- (d) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of a reduction under this scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5th April 2020.

Part 8
Amount of Transitional Addition

28

- (1) Subject to paragraph 29, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.
- (2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person--
 - (a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and
 - (b) Amount B is the basic amount that applied on that day as a result of that decision.
- (3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations--
 - (a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and
 - (b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.
- (4) In this paragraph and paragraph 29, "basic amount" means the aggregate of such amounts as may apply in the applicant's case in accordance with paragraph 26(1)(a) to (e) or paragraph 27(1)(a) to (f) (applicable amounts).

29

- (1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant's basic amount, the transitional addition that applies immediately before the change of circumstances must be reduced by the amount by which Amount C exceeds Amount D.
- (2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition must be reduced to nil.
- (3) Amount C is the basic amount that applies as a result of the increase.
- (4) Amount D is the basic amount that applied immediately before the increase.

SCHEDULE 4
AMOUNT OF ALTERNATIVE MAXIMUM COUNCIL TAX REDUCTION: PENSIONERS AND PERSONS WHO ARE NOT PENSIONERS

Paragraph 31

1

(1) Subject to paragraphs 2 and 3, the alternative maximum council tax reduction in respect of a day for the purpose of paragraph 31 (alternative maximum council tax reduction: pensioners and persons who are not pensioners) is determined in accordance with Table 1 and Table 2 and in these Tables--

- (a) "second adult" means any person or persons residing with the applicant to whom paragraph 15(2) (class C) or 18(2) (class F) (as the case may be) applies; and
- (b) "persons to whom paragraph 75(1) of this scheme applies" includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule "council tax due in respect of that day" means the council tax payable under section 10 of the 1992 Act less--

- (a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under this scheme); and
- (b) in a case to which sub-paragraph (c) in column (1) of Table 1 or Table 2 below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

Table 1

Pensioners

(1) <i>Second adult</i>	(2) <i>Alternative maximum council tax reduction</i>
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance--	(b)
(i) is less than £222.00 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £222.00 per week but less than £288.00 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 75(1) of this scheme applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.	(c) 100 per cent of the council tax due in respect of that day.

Table 2**Persons who are not pensioners**

(1) <i>Second adult</i>	(2) <i>Alternative maximum council tax reduction</i>
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance--	(b)
(i) is less than 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 income-related employment and support allowance or are persons on an income-based jobseeker's allowance.	(c) 100 per cent of the council tax due in respect of that day.

2

In determining a second adult's gross income for the purposes of this Schedule, the following must be disregarded from that income--

- (a) any attendance allowance, any disability living allowance, any personal independence payment under Part 4 of the Welfare Reform Act 2012 or an AFIP;
- (b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and
- (c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

3

Where there are two or more second adults residing with the applicant for a reduction under this scheme and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 to the 1992 Act, his income must be disregarded in determining the amount of any alternative maximum council tax reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

SCHEDULE 5
SUMS DISREGARDED FROM APPLICANT'S EARNINGS: PENSIONERS

Paragraph 40

1

Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to--

- (a) £25 in the case of a lone parent;
- (b) £20 in any other case.

2

In a case where an applicant is a lone parent, £25 of earnings.

3

(1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £20.

(2) This paragraph applies to employment--

- (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;
- (c) as an auxiliary coastguard in respect of coast rescue activities;
- (d) in the manning or launching of a lifeboat if the employment is part-time;
- (e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001.

(3) If--

- (a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and
- (b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.

4

(1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

(3) In this paragraph the applicant or his partner is a carer if paragraph 14 of Part 3 of Schedule 3 (amount applicable for carers) is satisfied in respect of him.

5

- (1) £20 is disregarded if the applicant or, if he has a partner, his partner--
 - (a) is in receipt of--
 - (i) long-term incapacity benefit under section 30A of the SSCBA;
 - (ii) severe disablement allowance under section 68 of that Act;
 - (iii) attendance allowance under sections 64 of that Act;
 - (iv) disability living allowance;
 - (v) personal independence payment;
 - (vi) an AFIP;
 - (vii) any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983;
 - (viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002; or
 - (ix) main phase employment and support allowance; or
 - (b) is or are registered as blind in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
 - (c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than--
 - (i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the Act, 196 days;
 - (ii) in any other case, 364 days; or
 - (d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act 1997 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either--
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 or Regulation 7 of the Employment and Support Allowance Regulations 2013 (circumstances where the condition that the assessment phase has ended before entitlement to the support component arising does not apply) applies.
- (2) Subject to sub-paragraph (3), £20 is disregarded if the applicant or, if he has a partner, his partner has, within a period of 8 weeks ending on the day in respect of which the applicant or his partner attains the qualifying age for state pension credit, had an award of housing benefit or council tax benefit or been in receipt of a reduction under this scheme and--
 - (a) £20 was disregarded in respect of earnings taken into account in that award; and
 - (b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.
- (3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's--

- (a) entitlement to housing benefit; or
- (b) receipt of a reduction under a council tax reduction scheme; or
- (c) employment,

following the first day in respect of which that benefit is awarded under this scheme.

(4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that, where the applicant has a partner, both the applicant and his partner satisfy the requirements of this paragraph.

6

(1) Where--

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
- (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
- (c) paragraph 35 (applicant in receipt of guarantee credit: pensioners) does not apply,

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

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

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

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

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

(6) "Exempt work" means work of the kind described in--

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or Regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be); or
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

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

8

Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule--

- (a) £5 is to be disregarded if an applicant who has no partner has earnings;
- (b) £10 is to be disregarded if an applicant who has a partner has earnings.

9

Any earnings, other than earnings referred to in paragraph 40(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.

10

(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

(2) The conditions of this sub-paragraph are that--

- (a) the applicant, or if he has a partner, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or
- (b) the applicant--
 - (i) is, or any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) if he is a member of a couple--
 - (aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and
 - (bb) his family includes at least one child or young person; or
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) is, or if he has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) above is satisfied in respect of that person.

(3) The following are the amounts referred to in sub-paragraph (1)--

- (a) any amount disregarded under this Schedule;
- (b) the amount of child care charges calculated as deductible under paragraph 57(1)(c) (deductions from income of certain child care charges); and

(c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in subparagraph (1) of that paragraph was a reference to 30 hours.

11

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

SCHEDULE 6

AMOUNTS TO BE DISREGARDED IN THE CALCULATION OF INCOME OTHER THAN EARNINGS: PENSIONERS

Paragraph 40

A1

The whole of any amount of the following--

- (a) a war disablement pension;
- (b) a war widow's pension or war widower's pension.

1

In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, £10 of any of the following--

- (a) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (b) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (c) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (d) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (e) a pension paid 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) Scheme 1983 or any payment intended

to compensate for the non-payment of such a supplement.

4

Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

5

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6

(1) Any payment which is--

(a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person--

(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and

(ii) whose service in such capacity terminated before 31st March 1973; and

(b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

7

£15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the SSCBA.

8

£15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the SSCBA.

9

Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for whom such accommodation is provided for the whole or any part of a week, equal to--

(a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent. of such payments; or

(b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent. of the excess over £20.

10

If the applicant--

- (a) owns the freehold or leasehold interest in any property or is a tenant of any property; and
- (b) occupies a part of that property; and
- (c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and--
 - (i) the amount paid by that person is less than £20 per week, the whole of that amount; or
 - (ii) the amount paid is £20 or more per week, £20.

11

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

- (a) that the loan was made as part of a scheme under which not less than 90 per cent. of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;
- (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65, 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 on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;
- (ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

12

(1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by Trustees in exercise of a discretion exercisable by them.

(2) This sub-paragraph applies to payments made to the applicant by Trustees in exercise of a discretion exercisable by them for the purpose of--

- (a) obtaining food, ordinary clothing or footwear or household fuel;
- (b) the payment of rent, council tax or water charges for which that applicant or his partner is liable;
- (c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002.

(3) In a case to which sub-paragraph (2) applies, £20 or--

- (a) if the payment is less than £20, the whole payment;
- (b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g), £10 or the whole payment if it is less than £10; or
- (c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 and--
 - (i) he has no disregard under paragraph 1(a) to (g), £5 or the whole payment if it is less than £5;
 - (ii) he has a disregard under paragraph 1(a) to (g), nil.

(4) For the purposes of this paragraph, "ordinary clothing or footwear" means clothing or footwear for normal daily use, but does not include school uniforms, or clothing and footwear used solely for sporting activities.

13

Any increase in pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 paid in respect of a dependent other than the pensioner's partner.

14

Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.

15

Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or, as the case may be, the applicant's partner for an injury suffered by him.

16

Any income which is payable outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

17

Any banking charges or commission payable in converting to Sterling payments of income made in a currency other than Sterling.

18

Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating--

- (a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any

payment to that student under that section; or

(c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

19

(1) Where the applicant is the parent of a student aged under 25 in advanced education who either--

(a) is not in receipt of any award, grant or student loan in respect of that education; or

(b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 18, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount is to be equal to--

(a) the weekly amount of the payments; or

(b) £61.05 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

20

(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

21

Except in a case which falls under paragraph 10 of Schedule 5, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

22

Where the total value of any capital specified in Part 2 (capital disregarded only for the purposes of determining deemed income) of Schedule 9 does not exceed £10,000, any income actually derived from such capital.

23

Except in the case of income from capital specified in Part 2 of Schedule 9, any actual income from capital.

24

Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999 as in force at that date, the whole of his income.

25

Any victims' payment under the Victims' Payments Regulations 2020.

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,

any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;

(b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except--

(i) any payment of the nature described in--

- (aa) paragraph 51(1)(e) (retainer), or
- (bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and

(ii) any award, sum or payment of the nature described in--

- (aa) paragraph 51(1)(g) or (i) (compensation etc relating to employment), or
- (bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),

including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;

(c) where before the first day of entitlement to a reduction under this scheme--

- (i) the employment has not been terminated, but
- (ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or

remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc).

2

In the case of an applicant who, before the first day of entitlement to a reduction under this scheme--

- (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
- (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings paid or due to be paid in respect of that employment except--

- (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
- (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc).

3

In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.

4

(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, 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

Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment--

- (a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;
- (b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

8

In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

9

(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as--

- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
- (c) an auxiliary coastguard in respect of coast rescue activities;
- (d) a person engaged part-time in the manning or launching of a life boat;
- (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;

but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment--

- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;

- (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

10

Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.

11

In a case to which none of the paragraphs 4 to 10 applies, £5.

12

(1) Where--

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
- (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
- (c) paragraph 14 does not apply,

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

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

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

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

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

(6) "Exempt work" means work of the kind described in--

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or (as the case may be)
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13

Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 8 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

14

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

15

Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

16

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17

Any earnings of a child or young person.

18

(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £17.10.

(2) The conditions of this sub-paragraph are that--

(a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant--

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and--

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

- (bb) his applicable amount includes a family premium under paragraph 4 of Schedule 3; or
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and--
 - (aa) the applicant's applicable amount includes a disability premium under paragraph 9, the 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 engaged 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 person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph were a reference to 30 hours.

19

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

SCHEDULE 8

SUMS DISREGARDED IN THE CALCULATION OF INCOME OTHER THAN EARNINGS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 54

1

Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.

2

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.

3

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme.

4

Any amount paid by way of tax on income which is to be taken into account under regulation 30 (calculation of income other than earnings).

5

Any payment in respect of any expenses incurred or to be incurred by an applicant who is--

- (a) engaged by a charitable or voluntary organisation, or
- (b) a volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 56(5) (notional income: persons who are not pensioners).

6

Any payment in respect of expenses arising out of the applicant's participation in a service user group.

7

In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.

8

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his income.

9

Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.

10

Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999 as in force at that date, the whole of his income.

11

Any disability living allowance, personal independence payment or an AFIP.

12

Any concessionary payment made to compensate for the non-payment of--

- (a) any payment specified in paragraph 11 or 14;
- (b) income support;

- (c) an income-based jobseeker's allowance;
- (d) an income-related employment and support allowance.

13

Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.

14

Any attendance allowance.

15

Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

16

(1) Any payment--

- (a) by way of an education maintenance allowance made pursuant to--
 - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to--
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
- (c) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to--

- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

17

Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc) Regulations 2002.

18

(1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment--

- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
- (b) of an allowance referred to in section 2(3) of the Employment and Training Act 1973 or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.

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

19

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

- (a) a charitable payment;
- (b) a voluntary payment;
- (c) a payment (not falling within paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
- (d) a payment under an annuity purchased--
 - (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made,

in consequence of any personal injury to the applicant; or

- (e) a payment (not falling within paragraphs (a) to (d)) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

(2) Sub-paragraph (1) does not apply to a payment which is made or due to be made by--

- (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
- (b) the parent of a child or young person where that child or young person is a member of the applicant's family.

19A

The whole of any amount of the following--

- (a) a war disablement pension;
- (b) a war widow's pension or war widower's pension.

20

Subject to paragraph 40, £10 of any of the following, namely--

- (a) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (b) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (c) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (d) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;
- (e) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

21

Subject to paragraph 40, £15 of any--

- (a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;
- (b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

22

(1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 10.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 but only to the extent of--

- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
- (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of "water charges" in paragraph 2(1) (interpretation) applies to sub-paragraph (2) of this paragraph with the omission of the words "in so far as such charges are in respect of the dwelling which a person occupies as his home".

23

Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating--

- (a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching

and Higher Education Act 1998, that student's award;

(b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or

(c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

24

(1) Where the applicant is the parent of a student aged under 25 in advanced education who either--

(a) is not in receipt of any award, grant or student loan in respect of that education; or

(b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 23, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount must be equal to--

(a) the weekly amount of the payments; or

(b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

25

Any payment made to the applicant by a child or young person or a non-dependant.

26

Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family--

(a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or

(b) where the aggregate of any such payments is £20 or more per week, £20.

27

Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to--

(a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent of such payments;

- (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.

28

- (1) Any income in kind, except where paragraph 54(10)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to "income in kind" does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.

29

Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

30

- (1) Any payment made to the applicant in respect of a person who is a member of his family--
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978 (schemes for payments of allowances to adopters) or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes);
 - (b) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children (Northern Ireland) Order 1995, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

31

Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made--

- (a) by a local authority under--
- (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or

(b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

32

Any payment made to the applicant or his partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in his care, by--

- (a) a health authority;
- (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
- (c) a voluntary organisation;
- (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
- (f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

33

Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

34

(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A--

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

35

(1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments--

- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
- (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.

(2) A payment referred to in sub-paragraph (1) is only to be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to--

- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (1)(b); and
- (b) meet any amount due by way of premiums on--
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

36

Any payment of income which by virtue of paragraph 64 (income treated as capital: persons who are not pensioners) is to be treated as capital.

37

Any--

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

38

Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).

39

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

40

The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 33(3) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 77(2)(b) and paragraph 78(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.

41

- (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of--
 - (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and

who is a member of the applicant's family.

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

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

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

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

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

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

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

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

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

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

42

Any housing benefit.

43

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

44

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

45

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).

46

(1) Any payment or repayment made--

- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
- (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
- (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).

47

Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

48

Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

49

- (1) Where an applicant's applicable amount includes an amount by way of family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.
- (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50

(1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.

(2) In sub-paragraph (1)--

"child maintenance" means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under--

- (a) the Child Support Act 1991;
- (b) the Child Support (Northern Ireland) Order 1991;
- (c) a court order;
- (d) a consent order;
- (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

"liable relative" means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

51

Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

52

Any guardian's allowance.

53

(1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

54

Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

55

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56

(1) Any payment which is--

- (a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person--
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and
- (b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

57

Any council tax benefit to which the applicant is entitled.

58

Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 7, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

59

Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).

60

(1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person--

- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
- (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,

in respect of which such assistance is or was received.

(2) Sub-paragraph (1) applies only in respect of payments which are paid to that person from the special account.

61

(1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

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

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

62

Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

63

In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.

64

Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.

65

(1) Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes, in England, a county council.

66

Any payment of child benefit.

**SCHEDULE 9
CAPITAL DISREGARDS: PENSIONERS**

Paragraph 63

**Part 1
Capital to be Disregarded**

1

Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

2

Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a

view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

3

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

4

Any premises occupied in whole or in part--

- (a) by a person who is a relative of the applicant or his partner as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
- (b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

5

Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

6

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

7

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

8

All personal possessions.

9

The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner or, if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of those assets.

10

The assets of any business owned in whole or in part by the applicant if--

- (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
- (b) he intends to become engaged (or, as the case may be, re-engaged) as a self-employed earner in that business as soon as he recovers or is able to become engaged, or re-engaged, in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

11

The surrender value of any policy of life insurance.

12

The value of any funeral plan contract; and for this purpose, "funeral plan contract" means a contract under which--

- (a) the applicant makes one or more payments to another person ("the provider");
- (b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on his death; and
- (c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on his death.

13

Where an ex-gratia payment has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment of--

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

by the Japanese during the Second World War, an amount equal to that payment.

14

(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or an applicant's partner who is--

- (a) a diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(2) Where a trust payment is made to--

- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or an applicant's partner who is--

(a) the diagnosed person;

(b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or

(c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(4) Where a payment such as referred to in sub-paragraph (3) is made to--

(a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending two years after that date.

(5) In this paragraph, a reference to a person--

(a) being the diagnosed person's partner;

(b) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home or an independent hospital.

(6) In this paragraph--

"diagnosed person" means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeldt-Jakob disease;

"relevant trust" means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

15

The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or civil partner or the applicant's partner's deceased spouse or civil partner--

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

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

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

during the Second World War.

16

(1) Any payment made under or by--

(a) the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as "the Trusts"); or

(b) the Independent Living Fund (2006).

(1A) Any Grenfell Tower support payment.

(1B) Any payment made by the Child Migrants Trust (registered charity number 1171479) under the scheme for former British child migrants.

(1C) Any historical child abuse payment.

(1D) Any Windrush 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, a historical child abuse payment or a Windrush 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

(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, a historical child abuse payment or a Windrush 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, a historical child abuse payment or a Windrush 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, a historical child abuse payment or a Windrush 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.

(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, a historical child abuse payment or a Windrush 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.

17

(1) An amount equal to the amount of any payment made in consequence of any personal injury to the applicant or, if the applicant has a partner, to the partner.

(2) Where the whole or part of the payment is administered--

- (a) by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998, or the Court of Protection, or on behalf of a person where the payment can only be disposed of by order or direction of any such court;
- (b) in accordance with an order made under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules; or
- (c) in accordance with the terms of a trust established for the benefit of the applicant or his partner,

the whole of the amount so administered.

18

Any amount specified in paragraph 19, 20, 21 or 25 for a period of one year beginning with the date of receipt.

19

Amounts paid under a policy of insurance in connection with the loss of or damage to the property occupied by the applicant as his home and to his personal possessions.

20

So much of any amounts paid to the applicant or deposited in the applicant's name for the sole purpose of--

- (a) purchasing premises which the applicant intends to occupy as his home; or
- (b) effecting essential repairs or alterations to the premises occupied or intended to be occupied by the applicant as his home.

21

(1) Subject to paragraph 22 any amount paid--

- (a) by way of arrears of benefit;
- (b) by way of compensation for the late payment of benefit;
- (c) in lieu of the payment of benefit;
- (d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;
- (e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000 under a scheme known as "Supporting People" or section 91 of the Housing (Scotland) Act 2001;
- (f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in this paragraph "occasional assistance" has the same meaning as in paragraph 16 of Schedule 1).
- (g) to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance, being an amount to which paragraph 22(1A) does not apply.

(2) In sub-paragraph (1), "benefit" means--

- (a) attendance allowance under section 64 of the Act;
- (b) disability living allowance;
- (c) personal independence payment;
- (d) an AFIP;
- (e) income support;
- (f) income-based jobseeker's allowance;
- (g) state pension credit;
- (h) housing benefit;
- (i) council tax benefit;
- (j) child tax credit;
- (k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the Act (increase for exceptionally severe disablement);

- (l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;
 - (m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (n) working tax credit;
 - (o) income-related employment and support allowance;
 - (p) social fund payments under Part 8 of the SSCBA;
 - (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;
 - (t) funeral expense assistance given in accordance with section 34 of that Act.
 - (u) any Scottish child payment assistance given in accordance with section 79 of that Act;
 - (v) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;
 - (w) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018; or
 - (x) winter heating assistance given in accordance with regulations under section 30 of that Act.
- (3) In sub-paragraph (1) "contributory employment and support allowance" means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance.

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 reduction under this scheme.

(1A) Subject to paragraph (3), any payment of £5,000 or more received by the applicant in full on or after the day on which the applicant became entitled to a reduction under an authority's scheme which has been made to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance.

(1B) In sub-paragraph (1A) "contributory employment and support allowance" means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance.

(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;
- (g) regulations 10A to 10C of the Universal Credit (Transitional Provisions) Regulations 2014.

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), (1A) or (2) has effect until the award comes to an end.

(4) In this paragraph--

"the award", except in sub-paragraph (2), means--

- (a) the award of a reduction under the authority's scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and
- (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant--
 - (i) is the person who received the relevant sum;
 - (ii) is the partner of that person; or
 - (iii) was the partner of that person at the date of his death;

"official error"--

- (a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and
- (b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

"the relevant date" means the date on which the application for a reduction under this scheme was made;

"relevant benefit" means any benefit specified in paragraph 21(2); and

"the relevant sum" means the total amount referred to in sub-paragraph (1).

23

Where a capital asset is held in a currency other than Sterling, any banking charge or commission payable in converting that capital into Sterling.

24

The value of the right to receive income from an occupational pension scheme or a personal pension scheme.

25

Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 6 (amounts to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 5 or 6 of that Schedule.

26

The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27

- (1) Subject to sub-paragraph (2), where an applicant falls within class C (alternative maximum council tax reduction: pensioners), the whole of his capital.
- (2) Sub-paragraph (1) does not apply where an applicant falls within class B and class C.

28

Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to--

- (a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum;
- (b) the amount of that lump sum,

but only for so long as that person does not change that election in favour of an increase of pension or benefit.

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 account 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 (Northern 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 (personal budgets and direct payments).

29C

(1) Any payment made by a local authority in accordance with section 26A of the Children (Scotland) 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.

29D

Any lump sum payment made in accordance with regulation 24 of the Victims' Payments Regulations 2020.

29E

Any sum paid by means of assistance in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019.

29F

Any sum paid by means of winter heating assistance in accordance with regulations under section 30 of the Social Security (Scotland) Act 2018.

Part 2
Capital Disregarded Only for the Purposes of Determining Deemed Income

30

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

31

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

32

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

33

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

- (a) a charitable trust within the meaning of the Charities Act 1993; or

- (b) a trust set up with any payment to which paragraph 16 applies,

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

SCHEDULE 10
CAPITAL DISREGARDS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 63

1

Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment.

2

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.

3

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme but only for 52 weeks beginning with the date of receipt of the payment.

4

The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.

5

Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

6

Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.

7

Any premises occupied in whole or in part--

- (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
- (b) by the former partner of the applicant as his home; but this provision does not apply where the

former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

8

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.

9

Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.

10

Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

11

(1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

(2) The assets of any business owned in whole or in part by the applicant where--

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

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

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

12

(1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of--

(a) any payment specified in paragraphs 11, 13 or 14 of Schedule 8;

(b) an income-related benefit under Part 7 of the SSCBA;

(c) an income-based jobseeker's allowance;

(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

- (e) working tax credit and child tax credit;
- (f) an income-related employment and support allowance,

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as "the relevant sum") and is--

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and
- (b) received by the applicant in full on or after 14th October 2001,

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

(3) For the purposes of sub-paragraph (2), "the period of an award of a reduction under this scheme" means--

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

13

Any sum--

- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
- (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home,

which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

14

Any sum--

- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 as a condition of occupying the home;
- (b) which was so deposited and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

15

Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to a reduction under this scheme or to increase the amount of that reduction.

16

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

17

Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.

18

(1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)--

(a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;

(b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);

(c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;

(d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).

19

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

20

The value of the right to receive any income which is disregarded under paragraph 15 of Schedule 7 or paragraph 29 of Schedule 8.

21

The surrender value of any policy of life insurance.

22

Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

23

Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

24

(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A--

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

25

Any--

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

26

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

27

Any capital which by virtue of paragraph 55 or 81 (capital treated as income: persons who are not pensioners, treatment of student loans) is to be treated as income.

28

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

29

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

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

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

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

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

(4) Sub-paragraph (3) does not apply if--

- (a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or
- (b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

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

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

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

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

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

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

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

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

30

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

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

31

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

32

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

33

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

34

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

35

The value of the right to receive an occupational or personal pension.

36

The value of any funds held under a personal pension scheme.

37

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

38

Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

39

Any payment made pursuant to section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.

40

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.

41

Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used--

- (a) to purchase premises intended for occupation as his home; or
- (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,

for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.

42

Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 8 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

43

(1) Any payment or repayment made--

- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
- (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
- (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling

Expenses and Remission of Charges) (Scotland) (No 2) Regulations 2003 (travelling expenses and health service supplies),

but only for a period of 52 weeks from the date of receipt of the payment or repayment.

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

44

Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

45

Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).

46

Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.

47

Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

48

Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.

49

(1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F.

50

(1) Any sum of capital to which sub-paragraph (2) applies and--

(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;

(b) which can only be disposed of by order or direction of any such court; or

(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.

(2) This sub-paragraph applies to a sum of capital which is derived from--

- (a) an award of damages for a personal injury to that person; or
- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

51

Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from--

- (a) award of damages for a personal injury to that person; or
- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

52

Any payment to the applicant as holder of the Victoria Cross or George Cross.

53

In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

54

- (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) "food" does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

55

(1) Any payment--

- (a) by way of an education maintenance allowance made pursuant to--
 - (i) regulations made under section 518 of the Education Act 1996;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to--
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the

Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act; or

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

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to--

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

56

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

57

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

58

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

(a) the applicant;

(b) the applicant's partner;

(c) the applicant's deceased spouse or deceased civil partner; or

(d) the applicant's partner's deceased spouse or deceased civil partner,

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

59

(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is--

(a) a diagnosed person;

(b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

(c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or

(d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.

(2) Where a trust payment is made to--

(a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date;

(c) a person referred to in sub-paragraph (1)(d), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending--

(i) two years after that date; or

(ii) on the day before the day on which that person--

(aa) ceases receiving full-time education; or

(bb) attains the age of 20,

whichever is the latest.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is--

(a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

(b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or

(c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death,

but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.

(4) Where a payment as referred to in sub-paragraph (3) is made to--

(a) a person referred to in sub-paragraph (3)(a), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (3)(b), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending two years after that date; or

(c) person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending--

(i) two years after that date; or

(ii) on the day before the day on which that person--

(aa) ceases receiving full-time education; or

(bb) attains the age of 20,

whichever is the latest.

(5) In this paragraph, a reference to a person--

- (a) being the diagnosed person's partner;
- (b) being a member of a diagnosed person's family;
- (c) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph--

"diagnosed person" means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld-Jakob disease;

"relevant trust" means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

60

The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner--

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

61

(1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes in England a county council.

62

Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

63

Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

64

Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

EXPLANATORY NOTE

(This note is not part of the Scheme)

Section 13A of the Local Government Finance Act 1992 ("the 1992 Act"), substituted by section 10 of the Local Government Finance Act 2012 ("the 2012 Act"), requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need.

Haringey Council's Scheme as set out above was approved by the authority on 1 March 2021. 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.

REPORT OF THE STAFFING & REMUNERATION COMMITTEE No. 2, 2021-22**FULL COUNCIL 1 MARCH 2022**

Chair: Councillor Dhiren Basu

Deputy Chair: Councillor Gideon Bull

1. INTRODUCTION

The Council is required to produce an annual Pay Policy Statement to comply with the requirements of the Localism Act 2011. This report from the Staffing & Remuneration Committee of 2 December 2021 recommends that Full Council approves the Pay Policy Statement 2022/23 (attached) for publication in April 2022.

2. PAY POLICY STATEMENT 2022-23

We considered the report on the Pay Policy Statement 2022/23 and noted that this was a statutory report that the Council was required to produce annually, in accordance with the Localism Act 2011.

We enquired about the returning officer and we were informed that this was the Chief Executive because they were the most senior member of staff and were able to command resources across the Council to run an election.

We noted that paragraph 13.2 of the Pay Policy Statement implied that redundancy schemes were subject to change and we agreed to remove this wording as it was not required.

We agreed to approve the draft Pay Policy Statement 2022/23, subject to the deletion of the wording about at paragraph 13.2. We also authorised the Chief People Officer to make such amendments to the Pay Policy Statement as considered minor. We agreed to remit the Pay Policy Statement (as amended) for endorsement by Full Council.

Following our meeting on 2 December 2021, the Chief People Officer has updated the senior salary pay figures in Appendices A and B of the Pay Policy Statement to reflect the pay agreement reached nationally by the Joint Negotiating Committee for Chief Officers.

3. RECOMMENDATIONS

Full Council is recommended:

To approve the Pay Policy Statement 2022/23, attached at Appendix A.

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Pay Policy Statement 2022/23

Published
April 2022

1. Background

Localism Act 2011 - Openness and accountability in local pay

- 1.1. Section 38(1) of the Localism Act requires local authorities to produce an annual pay policy statement.
- 1.2. The provisions in the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however, it emphasises the need to deliver value for money for local taxpayers.
- 1.3. This statement has been approved by Full Council on 1st March 2022 and any changes during the year will be brought back to Full Council for adoption at the earliest opportunity.
- 1.4. This statement does not apply to Council employees based in schools.
- 1.5. The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015 ("the Code"), published by the Department for Communities and Local Government in February 2015, and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.
- 1.6. Part of the Code includes publishing information relating to senior salaries within a local authority. A full list of all posts that are paid £50,000 or more per year that fall within the scope of the Accounts and Audit Regulations 2015 is published on the Council's website.

2 Governance arrangements for pay and conditions of service within Haringey

- 2.1 The Staffing & Remuneration Committee as referred to in the Council's constitution Part three, section B under its Terms of Reference has responsibility for the terms and conditions of service for all staff. The Staffing & Remuneration Committee is a Committee of Full Council.
- 2.2 The Staffing & Remuneration Committee is accountable for the remuneration of Directors, Assistant Directors and specified statutory officers as detailed in the Council's Constitution and pay in general and will ensure that remuneration is set within the wider pay context giving due consideration to the relationship between the highest and lowest paid in the organisation. This Committee will remit the Pay Policy Statement for approval by Full Council.

3 Remuneration arrangements of the Chief Executive, Directors, Assistant Directors and Heads of Service/Senior Professional III graded employees

- 3.1 The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent staff. Changes to pay bands for the Chief Executive, Directors, Assistant Directors and Heads of Service/Senior Professional III graded employees are approved by the Staffing and Remuneration Committee, other than for annual nationally and/or regionally agreed increases. The pay bands are at Appendix A.
- 3.2 Where it is proposed to appoint to a Director or Assistant Director post or other statutory officer post that comes within the remit of the Committee in the Constitution, the Staffing and Remuneration Committee must consider and approve the proposed salary.
- 3.3 The salary applicable to Director and Assistant Director posts is published on the Council website.
- 3.4 Pay scales are increased in line with national and regional pay agreements. Progression through the applicable pay band will be contribution led based on individual, team and/or organisation performance. It will not be automatic, and the process will be overseen by the Chief Executive.
- 3.5 The Council may in exceptional circumstances, engage employees under contracts for services. The Council publishes in accordance with the Code details of all payments made under contracts for services in excess of £500 on the Council website.

4 Remuneration of other employees

- 4.1 Pay scales are increased in line with national and regional pay agreements.
- 4.2 For a majority of its employees who are not covered by local arrangements, the Council supports the NJC and regional (Greater London Provincial Council – GLPC) collective bargaining arrangements for pay and conditions of service and utilises the GLPC outer London pay spine (the exceptions to this are a small number of staff who are subject to the Soulbury, Teachers and NHS terms and conditions.)
- 4.3 The Council considers it important to be able to locally determine pay rates for some staff where this is necessary. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent staff.

- 4.4 The Council employs a small number of employees who are Educational Psychologists and Education Advisers/Inspectors and uses the pay scales recommended by the Soulbury Committee for these employees.
- 4.5 The Council also employs a small number of centrally employed Teachers and uses the national Teachers Pay and Conditions (TPAC) pay scales for these employees.
- 4.6 Public Health employees who transferred from the NHS into the Council from 1 April 2013 continue to be paid in accordance with NHS terms and conditions of employment.
- 4.7 Employees subject to NJC conditions are able to incrementally progress through the pay spine column points for their job evaluated grade. Progression will normally be one increment (pay spine column point) on the 1st of April each year until they reach the top of their grade.
- 4.8 Employees subject to NHS conditions are able to progress through the steps in their pay band subject to the principles set out in the Framework Agreement on the reform of Agenda for Change.
- 4.9 Employees subject to TPAC and Soulbury conditions can incrementally progress through the pay spine column points subject to satisfactory performance normally on the 1st of September each year until they reach the top of their grade.

5 Remuneration of the lowest-paid employees

- 5.1 The Council approved with effect from May 2011 that in future the pay of Council employees at the lower ends of the pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority. This will be by way of an hourly pay supplement as appropriate to ensure that the London Living Wage rate is achieved.
- 5.2 In November 2018 the Council became an accredited Living Wage Employer.

6 Job Evaluation

- 6.1 The pay grades and therefore remuneration levels of employees (except for centrally employed Teachers who are subject to the Teachers Pay and Conditions documents) are determined by the use of a job evaluation scheme. Job Evaluation is a systematic process used to determine the relative worth of jobs within the organisation. It creates a rank order from the smallest to the largest job and ensures that consistent decisions in grades and rates of pay are made.
- 6.2 The table at Appendix B outlines the job evaluation schemes used for each group of employees.

7 Pay Multiple

- 7.1 The 'pay multiple' is the ratio between the highest paid taxable earnings and the median earnings figure of the whole of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is shown in the table below.
- 7.2 Earnings for the purpose of calculating the 'pay multiple' are defined covering all elements of remuneration that can be valued (i.e. all taxable earnings for including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind). The calculation of earnings excludes the cash value of pension provision.
- 7.3 The Council defines its lowest paid employees as those paid on the lowest pay spine point of 1 on the GLPC outer London pay spine. The reason for this definition is that this is the lowest pay spine point in the Council in line with the job evaluation scheme and pay scales agreed with the unions. This excludes trainees, apprentices and interns. However, an hourly pay supplement is added when necessary to ensure that the London Living Wage rate is achieved as outlined in paragraph 5.13.

Description	2021/22
Highest Paid	£197,048.60
Median	£34,209
Lowest	£20,367
Highest to median ratio	5.8
Highest to Lowest ratio	9.7

*The salary for the highest paid employee (Chief Executive) includes an allowance paid for Returning Officer duties as outlined in paragraph 10.2

8 Pay on Appointment

- 8.1 All employees are normally appointed on the lower half of the pay range appropriate for their grade.
- 8.2 The Council delegates authority to the Chief Executive and Directors as appropriate to appoint staff above this part of the pay range.

9 Market Allowance Payments

- 9.1 The Council acknowledges that our workforce is our most valuable asset when it comes to enabling and delivering services for those who live, work, study or visit the borough. Due to external market factors, allowances may need to be paid to some posts in order to attract and retain staff of the appropriate calibre.

- 9.2 Market allowances are linked to the post, not the person. They cannot be paid to someone because of their level of skill or experience.
- 9.3 A market allowance is deemed suitable where there is evidence of one or more of the following:
- The post has been advertised on more than one occasion and a suitable applicant could not be recruited.
 - Pay benchmarking exercises show that similar local authorities offer market allowances or a higher salary for the same work.
 - A national / local skills shortage where the Council is competing with a number of other employers for applicants.
 - The post is highly specialised with a limited number of potential applicants.
- 9.4 If the post does not meet the suitability criteria the payment of a market allowance is unjustified and may be in breach of equal pay legislation contained in the Equality Act 2010.

10 Fees for Election Duties

- 10.1 Council staff may be engaged on election duties of varying types. The fees paid to Council employees for undertaking these election duties vary according to the type of election they participate in, and the nature of the duties they undertake.
- 10.2 Returning Officer duties (and those of the Deputy Returning Officers) are contractual requirements, and fees paid to them for national elections / referendums are paid in accordance with the appropriate Statutory Fees and Charges Order and are paid by the body responsible for the conduct of the election.

11 Pension

- 11.1 There are three pension schemes covering the Council's employees.
- 11.2 A majority of its employees are entitled to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the Council's website.
- 11.3 Centrally employed Teachers are entitled to join the Teachers' Pension Scheme and receive benefits in accordance with the provisions of that Scheme.
- 11.4 Public Health employees who transferred from the NHS and are members of the NHS Pension Scheme continue to receive benefits in accordance with the provisions of that Scheme.

12 Other Terms and Conditions of Employment

- 12.1 The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.
- 12.2 The Council and trades union agreement, Equal Pay Review 2008, outlined the working arrangements and the payments to be made to the majority of employees below senior manager level. This included arrangements for working outside normal working hours including overtime and call out payments.

13 Payments on Termination of Employment

- 13.1 In the event that the Council terminates the employment of an employee on the grounds of redundancy they will receive compensation and benefits in accordance with the Council's Redundancy scheme, which is published on the Council's website. Variations to this are employees who have TUPE transferred into the Council with different contractual entitlements.
- 13.2 Details of redundancy compensation payments paid to senior management are published on the Council's website.

14 Re-employment of Employees

- 14.1 Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.
- 14.2 Should a successful candidate be in receipt of a redundancy payment the Council will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended) regarding the recovery of redundancy payments. The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.

15 Further Information

For further information on the Council's Pay Policy please contact the Council's Head of Employment, Transformation and Reward.

Senior Manager Pay Bands as at 1 April 2021

Level	Category	Step	Point 1 (Minimum Pay Band)	Point 2	Point 3	Point 4	Point 5	Point 6 (Maximum Pay Band)
A	Chief Executive	HA2	£188,835	£193,359	£198,333	£203,307	£208,278	£213,252
B	Directors / Assistant Directors	HB3	£148,596	£153,468	£158,241	£163,113	£167,883	£172,755
		HB2	£120,990	£124,947	£128,907	£132,864	£136,824	£140,781
		HB1	£103,386	£107,184	£110,637	£113,985	£117,438	£120,786
C	Heads of Service / Senior Professional III	HC3	£88,002	£91,047	£94,092	£97,239	£100,284	£103,329
		HC2	£75,111	£77,649	£80,187	£82,824	£85,362	£87,900
		HC1	£64,860	£66,891	£68,919	£70,950	£72,981	£75,009

Appendix B

Employee Group	Job Evaluation Scheme	Last Pay Award Implemented	Next Pay Award Due
National Joint Council (NJC) for Local Government Services – Green Book (the majority of the Council's employees)	Greater London Provincial Council (GLPC) (with local variations)	With effect from April 2020 all London pay spines have been up-rated by 2.75 %.	1 April 2021 (To be agreed)
Chief Executive, Chief Officers & Senior Managers	The HAY job evaluation scheme	With effect from April 2021 An increase of 1.5 %.	1 April 2022 (To be agreed)
Teachers Pay & Conditions - TPAC (centrally employed Teachers)	Teachers Pay and conditions documents	A pay freeze for all qualified teachers. Only unqualified teachers earning less than £24,000 (with adjustments for the London pay scales) received a pay award in 2021/22.	1 September 2022 (To be agreed)
Soulbury (Education Psychologists & Education Advisers/ Inspectors)	Soulbury	A 1 year pay deal with effect from September 2020 2.75% increase on all Soulbury pay scale points, and all London area and fringe allowances.	1 September 2021 (To be agreed)
Public Health (ex-NHS staff)	The Agenda for Change NHS Job Evaluation Scheme (GLPC or Hay scheme for those whose roles have been reviewed since the transfer date to the Council)	3% pay award uplift for NHS staff within the scope (excluding any staff already covered by a multi-year pay deal).	1 April 2022 (To be agreed)

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REPORT OF THE CORPORATE COMMITTEE No. 2, 2021-22**FULL COUNCIL 1 MARCH 2022**

Chair: Councillor Peter Mitchell

Deputy Chair: Councillor Barbara Blake

1. INTRODUCTION

This report to Full Council arises from two reports presented at Corporate Committee on 1 February 2022.

The first report pertained to the External Audit Appointment which sought authority to opt in to the Public Sector Audit Appointments Ltd (PSAA) scheme to enable them to appoint the external auditor for the Council and for the Pension Fund.

The second report presented the Treasury Management Strategy Statement for 2022-23 which set out the Council's borrowing and investment strategies, along with the associated risks. The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice requires the Authority to approve a Treasury Management Strategy before the start of each financial year. 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.

2. EXTERNAL AUDIT APPOINTMENT

We considered the attached report which set out that, in July 2016, the Secretary of State for Housing Communities and Local Government (MHCLG) specified Public Sector Audit Appointments Limited (PSAA) as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.

We noted that, in accordance with the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 (the Regulations), the PSAA had formally invited all eligible bodies to join the national auditor appointment arrangements for the audit years 2018/19 to 2022/23 in its role as a specified appointing person. Haringey Council, alongside most of London Councils opted in. As the first appointing period was coming to an end, PSAA had formally invited all bodies to either opt in or out of this arrangement for the second appointing period of 2023/2024 to 2027/2028.

We considered the advantages and disadvantages of the scheme which were set out in the attached report and the Officer recommendation that the Council opted in to the PSAA scheme.

In response to a question, we were informed that most, if not all, London Boroughs were expected to sign up to the PSAA scheme.

3. RECOMMENDATIONS

Full Council is recommended:

To opt in to the Public Sector Audit Appointments Ltd (PSAA) scheme to enable them to appoint the external auditor for the Council and for the Pension Fund.

4. TREASURY MANAGEMENT STRATEGY STATEMENT 2022-23

We considered the Treasury Management Strategy Statement for 2022-23 which outlined the Council's strategy for managing its cash flows, borrowing, investments, and the associated risks in accordance with the CIPFA Treasury Management Code of Practice.

We noted that the report had been reviewed by the Scrutiny Committee with no formal comments, however, they had asked questions that the officers had agreed to provide responses in writing to them.

We were informed that the CIPFA Code of Practice suggested that this Treasury Management Strategy Statement should set out a three year position but that Haringey had decided to do this on a five year cycle so that the document could be more accurately aligned to the medium-term strategy and budget report. We also noted that the Public Work Loans Board (PWLB) was no longer lending to local authorities who were planning to buy assets for yield but that this would not impact the Council and it would still be possible to access the PWLB loans going forward.

We enquired about Lender's Option Borrower's Option (LOBO) loans and it was confirmed that the Council would repay the loans in line with the Council's LOBO loans policy and in consultation with the Council's advisors. We heard that there might be potential to repay some loans and that, if this was an option, this would be reviewed by the Council's advisors and brought back to the Corporate Committee for consideration.

We noted that paragraph 5.3 of the Treasury Management Strategy Statement should be amended to state that the COVID-19 pandemic 'had increased', rather than 'has increased' the risk that the Bank of England will set its Bank Rate at or below zero.

5. RECOMMENDATIONS

Full Council is recommended:

To agree the proposed updated Treasury Management Strategy Statement for 2022-23 as attached to agenda item 14, 2022-23 Budget and Medium-Term Financial Strategy 2022/27 at Annex 4.

Report for: Corporate Committee – 1 February 2021

Title: External Audit Appointment

Report authorised by: Jon Warlow, Director of Finance & S151 Officer

Lead Officers: Kaycee Ikegwu, Chief Accountant, kaycee.ikegwu@haringey.gov.uk, 020 8489 5560; Sahr Kamanda, Deputy Chief Accountant, sahr.kamanda@haringey.gov.uk, 020 8489 5825

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-Key Decision

1. Describe the issue under consideration

- 1.1 In July 2016, the Secretary of State for Housing Communities and Local Government (MHCLG) specified Public Sector Audit Appointments Limited (PSAA) as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.
- 1.2 In accordance with the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 (the Regulations), PSAA formally invited all eligible bodies to join the national auditor appointment arrangements for the audit years 2018/19 to 2022/23 in its role as a specified appointing person. Haringey Council, alongside most of London Councils opted in.
- 1.3 As the first appointing period is coming to an end, PSAA has formally invited all bodies to either opt in or out of this arrangement for the second appointing period of 2023/2024 to 2027/2028.
- 1.4 The decision for the Council to appoint its own external auditors itself, or to opt in for the sector led approach, must be made by Full Council and cannot be delegated.
- 1.5 The Corporate Committee's responsibilities in relation to audit include: 'Considering arrangements for the appointment of the external auditor'. This report is provided to advise the committee of the options available to the Council as we approach the end of the current appointing period and recommend a preferred solution.

2. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

Corporate Committee is asked:

- 3.1 To recommend to Full Council that Haringey Council opts in to the Public Sector Audit Appointments Ltd (PSAA) scheme to enable them to appoint the external auditor for the Council and for the Pension Fund.

4. Reasons for decision

- 4.1 The recommendation is based on the most economically advantageous approach, which will provide an appropriately qualified and suitable external audit function for the Council; and which will achieve economies of scale by opting in to a national procurement process to provide competitive prices for local audit services.
- 4.2 PSAA has a specialist, experienced team who will use their technical expertise and sector knowledge to make transparent and independent auditor appointments for the Councils.
- 4.3 Most London local authorities have indicated willingness to continue with the PSAA arrangement and it will be more beneficial to be part of this large group; to enable a collective reshaping and improvement in audit services.

5. Alternative options considered

- 5.1 There are a number of options which are available to the Council in making the appointment; the choice of which route to take must be made by Full Council and cannot be delegated. The options which are available are as set out below:
1. To establish a separate and individual auditor panel to advise on the external auditor appointment, with the final decision again being made by Full Council
 2. To work collaboratively with one or more authorities, sharing an auditor panel if they choose
- 5.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) produced non-statutory guidance in September 2015 to advise local authorities of what they need to be aware of in relation to auditor panels. This report summarises the possible advantages and disadvantages of each option

5.3 Analysis of the Auditor Panel options

Ref	Option	Possible Advantages	Possible Disadvantages
1.	Set up own separate and individual panel to oversee separate and individual procurement	<ul style="list-style-type: none"> • Full ownership of the process • Fully bespoke contract with the auditor • Tendering process more based on local circumstances 	<ul style="list-style-type: none"> • May not be able to get bids from suitable firms due to their focus being on PSAA contract. A single authority contract may be less attractive to some providers. • May procure at a very high cost for same reasons as above. • May experience difficulties in appointing majority independent panel members and independent panel chair as per the regulations • Will not achieve economies of scale
2.	Set up a panel jointly with other authority/ authorities as part of a procurement exercise for joint contract covering more than one authority or multiple separate contracts	<ul style="list-style-type: none"> • Less administration than a sole auditor panel • Will be able to share the administration expenses • May be easier to attract suitable independent panel members • If procuring a joint audit contract: <ul style="list-style-type: none"> ○ May still be a relatively locally tailored process ○ May be able to achieve some economies of scale • If procuring separate audit contracts: <ul style="list-style-type: none"> ○ An opportunity for fully bespoke contracts with the auditor if the group of authorities can agree 	<ul style="list-style-type: none"> • If procuring a joint audit contract: <ul style="list-style-type: none"> ○ May need to compromise on the arrangements or auditor contract ○ May not end up with first choice of auditor, compared to an individual auditor panel. If a large group of authorities work together and decide to appoint one joint audit contract across all the authorities, a joint panel may be more likely to advise appointment of an auditor it considers suitable for all authorities taken together • Need to agree appointment of members across multiple authorities and set up an appropriate joint decision-making process

- i. The arrangements for an auditor panel must comply with the requirements of the Act and must have a majority of independent, non-elected members. The auditor panel must also be chaired by an independent non-elected member. The rules about independence are very specific and must comply with The Local Audit (Auditor Panel Independence) Regulations 2014. The panel can be an existing committee or sub-committee of an existing committee provided that the membership criteria are met.
- ii. Once the external auditor is appointed, the auditor panel will continue to have roles in monitoring the auditor's performance, ensuring the auditor's independence and in the event of any relationship problems with members or officers. In the event of a breakdown of the relationship, or poor auditor performance, the Council would be faced with a re-procurement exercise.

5.4 Appointment by the Sector Led Route

- 5.4.1 In July 2016, PSAA was specified as a designated person for the purposes of making external audit appointments. They are the only body to be designated as such.
- 5.4.2 If the Corporate Committee agrees to the recommendation and Full Council decided to opt for this route, the Council would confirm its intention to PSAA to participate in the sector led scheme by **Friday, 11 March 2022**. PSAA would then carry out the procurement (in accordance with the Public Contracts Regulations 2015) on behalf of all councils and NHS trusts that have signed up with them and would then allocate external auditors, probably on a geographic basis as has happened in the past.
- 5.4.3 PSAA would then be the body that would support the external auditor's independence and would be involved if there were relationship problems. Monitoring the work of the external auditor would continue to be undertaken by the Corporate Committee.
- 5.4.4 PSAA would be the contracting authority, so there would be no procurement by the Council. The fees paid for the audit service would include PSAA's costs. It is however a non-profit making organisation and if any surpluses were achieved these would be returned to the scheme members. This year, Haringey Council received a redistribution of surplus of £31,360 and £3,190 for the Council's account and Pension Fund account respectively.
- 5.4.5 This route would be the most straightforward and least resource intensive. It would enable the achievement of more competitive prices because of the volume being procured. In the event of a breakdown of the relationship or poor auditor performance, PSAA would be able to replace the auditor with another that it has contracted with without the cost implications or interruption of service which might be experienced if the Council contracted with a single supplier.
- 5.4.6 Audit fees will continue to be met by each local authority. PSAA will manage the fee levels and pool scheme costs to enable costs to be charged to authorities in accordance with an agreed scale of fees. PSAA will consult with audited bodies on the proposed scale of fees until the initial procurement has been completed and contracts have been let.

6. Background information

- 6.1 Prior to its final abolition in March 2015, external auditors for local authorities were appointed by the Audit Commission. The auditor currently appointed for Haringey Council and for its pension fund is BDO LLP and they remain as the external auditors. The current audit contracts were novated from the Audit Commission to PSAA on 1 April 2015.
- 6.2 The contract was due to expire following conclusion of the audits of 2016/17 accounts, but was extended by PSAA, subject to MHCLG amendment of the transitional provisions to extend the period in which the statutory functions are delegated to PSAA.

- 6.3 In October 2015, the Secretary of State confirmed that the transitional provisions amendment allowing an extension of the contracts for a period of one year for audits of principal local government bodies to include the audit of 2017/18 accounts.
- 6.4 BDO was then appointed as the Council's auditors for the **first appointing period** which spans the five consecutive financial years commencing 1 April 2018. It covers the audits of accounts for the financial years 2018/19 to 2022/23.
- 6.5 The **second appointing period** will span the five consecutive financial years commencing 1 April 2023. It will cover the audits of accounts for the financial years 2023/24 to 2027/28.

7. Contribution to strategic outcomes

- 7.1 External audit makes a significant contribution to ensuring the adequacy and effectiveness of internal control and use of resources throughout the Council, which covers all key Priority areas.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

The External Audit plan of work in relation to the 2020/21 year is currently estimated to cost £242k and appropriate provision was made within the budget for 2020/21 under the current contractual arrangements. The Medium Term Financial Strategy (MTFS) at this stage assumes a similar level of budget will be required in future years.

8.2 Legal

8.2.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.

8.2.2 The changes to the arrangements for appointing external auditors, and the range of options available under the framework of the Local Audit and Accountability Act 2014, are set out in the main body of this report.

8.2.3 If an authority fails to appoint an external auditor the Secretary of State has the power to direct the authority to appoint a particular auditor, or appoint one on its behalf.

8.2.4 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Corporate Committee from agreeing to the recommendations in the report.

8.3 Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies. However, ensuring that the Council has effective external audit arrangements in place will assist in providing assurance to

residents and other stakeholders that the Council manages public money appropriately and in accordance with statutory requirements.

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

Not applicable.

Report for: Full Council 1st March 2022

Item number:

Title: 2022/23 Budget and Medium-Term Financial Strategy 2022/27

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 2022/23 Budget and 2022/27 Medium Term Financial Strategy (MTFS) report at their meeting held on 8th February 2022 and resolved to propose that report for consideration and approval of the final Budget, MTFS and Council Tax for 2022/23 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 2022/23 budget which can be found in the Cabinet report of 8 February 2022 attached at Annex 1 remain unchanged.

3. Recommendations

3.1. Council are asked:

- (a) To approve the proposed 2022/23 Budget and Medium-Term Financial Strategy (2022/27) agreed by Cabinet on 8th February 2022 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 1% for the Adult Social Care Precept;
- (c) To approve the General Fund budget requirement for 2022/23 of £262.923m, 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 2022/23 of £262.923m as set out in Annex 2;
- (e) To approve the 2022/27 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 2022/23 as set out in Table 9.4 of Annex 1 to this report;
- (h) To approve the 2022/27 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. 7.6);
- (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 2022/23 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 has a statutory responsibility to set a balanced budget each year. The financial planning process this year has been markedly different. Our strategy has been to look to align fundamental future budget decisions with knowledge of our fundamental future funding position, in the context of that new borough plan. We have also gone into this budget round knowing that the Council as part of its outturn for 20/21 was able to assign £10m into the Strategic Budget Planning reserve, in anticipation of the sorts of timescales that would be associated with such future change.
- 4.2. The 2022/23 Budget & 2022/27 MTFS Cabinet report of 8th February included Cabinet's response to feedback from the Budget consultation, the views of Overview and Scrutiny Committee held on 20th January 2022 and also the outcome of the overall equalities assessment. Relevant budgetary allocations announced in the Provisional Local Government Finance settlement on 16th December 2021 were also included. The Final Settlement ratified by Parliament on 7th February 2022 was largely as expected and no further adjustments have been required.
- 4.3. Taking all relevant factors into account, this report sets out Cabinet's 2022/23 Budget and 2022/27 MTFS proposals, including the level of Council tax for 2022/23, for the Council to consider and approve.
- 4.4. The report and recommendations from the Cabinet meeting on 8th February 2022, 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 2022/23. Therefore, in accordance with legislation and the Council's constitution, this report recommends that the Council should approve the proposed 2022/23 Budget and 2022/27 Medium Term Financial Strategy agreed by Cabinet on 8th February 2022, 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 2022/23. Accordingly, no other options have been considered.

6. Background information

- 6.1. On 8th February 2022 Cabinet agreed a proposed 2022/23 Budget and 2022/27 MTFS for submission to this meeting of the Council, including: a General Fund revenue budget for 2022/23 of £262.923m; the Dedicated Schools Budget and the Housing Revenue Account (HRA) revenue budget for 2022/23; and the 2022/27 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 8th February 2022 (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 2022/23 (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 2022/23.
- 6.4. The report concludes by presenting the Budget Resolution to set the Council Tax for 2022/23.

7. Key Developments and Updates

Levying Bodies

- 7.1. The Board of the North London Waste Authority (NLWA) met on 10 February 2022 and agreed an overall levy of £57.04m for 2022/23 which is a 1.3% decrease over the 2020/21 position.
- 7.2. The decrease is due to higher balances retained by NLWA available to offset the levy because of the impact of COVID on tonnages in previous year which reduced its costs. The report to Cabinet in February acknowledged the likely reduction in levy and proposed a one-off reduction to the budget for 2022/23 to £8.1m. The final levy on Haringey approved by the NLWA Board for 2022/23 is £7.86m, which can be accommodated within this reduced budget figure.
- 7.3. The MTFS continues to assume growth in future years from 2023/24 to address the expected increase in levy to fund the costs associated with the new Energy and Resource Recovery Facility. This will need to be kept under review and the MTFS adjusted when more up to date figures are available.
- 7.4. The levies payable to all other bodies have remained stable and can be accommodated within the current proposed budget.
- 7.5. The below table provides a summary of levy charges to Haringey Council in 2021/22 and 2022/23.

Table 7.1: Summary of 2021/22 and 2022/23 Levies

	Amount Paid 2021/22 £'000	Amount Due 2022/23 £'000
Environment Agency	180	187
Lee Valley Regional Park Authority	184	188
London Borough Grants Scheme	200	197
London Pensions Fund Authority	261	266
North London Waste Authority (NLWA)	9,000	7856
Total Paid/ Due	9,825	8,694

The Greater London Authority Precept

- 7.6. The Mayor's final draft budget proposals for the 2022/23 consolidated budget will be considered by the London Assembly on Thursday 24th February 2022. The current draft proposals indicate an increase of £31.93 (8.8%). This reflects the Mayor's additional funding allocated to MOPAC through a £10 increase in the police element of the precept – in line with the council tax referendum limits set out in the Home Office's provisional police funding settlement for all local policing bodies, a 1.99 per cent increase in the core non-police precept which allocated in full to the London Fire Commissioner and a further £20 increase at Band D to fund transport services.
- 7.7. 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 24th of February 2022. 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.

Final Local Government Finance Settlement

- 7.8. The Final Local Government Settlement was in line with the budgetary assumptions built into the February Cabinet report however, the government did announce that the level of compensation that Councils will receive from S31 grants in relation to business rates will be higher than that announced in the provisional settlement due to a change in the inflation calculation methodology used. The impact of business rates performance, including S31 grants, will be taken into account as part of the regular in-year finance update reports to Cabinet.

The Council Tax Energy Rebate 2022/23

- 7.9. 3 February 2022, the Department issued a Council Tax Information Letter (CTIL) summarising the Government's announcement that an Energy Bills Rebate will be provided to households in England in April 2022. This includes a £150 rebate for most households in council tax bands A-D. In addition to this payment, discretionary funding will be provided to local authorities to support

people on low incomes that do not pay council tax, or who pay council tax for properties in bands E-H.

- 7.10. The Government is yet to publish the guidance for the operation of this scheme.

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 2021 (SR21) the Government announced that those authorities with Adult Social Care functions could implement a further Adult Social Care (ASC) precept of 1% for 2022/23. This is on top of the previous legislation which allowed up to 2% in 2016/17, a maximum of 6% between 2017/18 and 2019/20 and a further 3% in 2021/22. For those years, Haringey applied the full 8% between 2016/17 and 2018/19 and 3% in 2021/22. The 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 2022-23, the relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2022/23 is 3% (comprising 1% for expenditure on adult social care, and 2% for other expenditure), or more than 3%, greater than its relevant basic amount of council tax for 2021/22. The Budget now proposed assumes that both allowable elements will be charged to residents i.e. a 1.99% increase in basic Council Tax and a 1% 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 2022/23 is £117.7m (£110.3m in 2021/22) based on 79,303 Band D equivalent dwellings (the Tax Base) (76,544 in 2021/22), a collection rate of 95.75% (95.5% in 2021/22) and the proposed Band D Council tax rate of £1,484.13 (£1,441.04 in 2021/22).
- 8.6. These proposals result in total available funding (the 'Budget Requirement') for 2022/23 of £262.923m, as set out in recommendation 3.1(c), above.

9. Statements of the Designated Chief Finance Officer

- 9.1. Local authority financial resilience continues to be of great significance after a prolonged period of austerity, the impacts of the Covid-19 pandemic and uncertainty about the impact of the Levelling Up agenda on future funding streams.
- 9.2. Considerable care is taken in the financial reporting to Members both during the time of budget setting and also during the course of the year to ensure that a full and fair perspective is given of the financial position and resilience of the Council. This takes account of issues and opportunities, trends, risk analysis and service and corporate developments. In addition to this, the CIPFA

Financial Resilience Index is a useful tool as it provides an independent view for the local leadership on the overall financial resilience of their Council.

- 9.3. The underlying data used for the Index is necessarily based on publicly available data and is therefore historic in nature. Furthermore, the pandemic has fundamentally altered the local authority funding landscape in 2020-2021. This is particularly pertinent for the reserves assessments where the picture for 2020-2021 has been distorted by the timing of significant COVID-19 payments received late in the financial year and will also reflect other means authorities have chosen to use to meet the C19 challenge. The adequacy of reserves for Haringey will be covered in Annex 3b.
- 9.4. Haringey's 2020/21 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, outside reserve balances, to note are that:
 - Social Care spend ratio to Total Net Service expenditure has improved compared to the previous year and is no longer the authority's highest risk. This is due to the application of growth to the care services along with some additional specific government grants. The 2022/23 Budget proposes further growth for these services.
 - The highest risks indicated by the model are now gross external debt and the ratio of interest payable to net revenue expenditure. The later reflects the impact of the Council's expansive capital programme.
- 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 and evidenced demand are reviewed and updated as necessary.
- 9.8. The Spending Round 2021 (SR21) announced on 27 October 2021 confirmed departmental resource and capital budgets for a three-year period (2022-2025), the first time since 2016. However, the Local Government Finance Settlement (LGFS) only provided allocations for a single financial year (2022/23).
- 9.9. This Settlement made an additional £3.7 billion available to councils nationally, including funding for adult social care reform. This is an increase in local authority funding for 2022/23 of over 4.5% in real terms.
- 9.10. The government has stated that the 22/23 settlement is intended to provide a firm foundation for funding throughout next year with its longer-term aim being to allocate funding based on up-to-date assessments of need and resources. Most of the underlying data used in the LGFS has not been updated by the government since the existing funding regime was introduced in 2013 and during this time the country has seen much change, notably a prolonged period of austerity post 2008-2010 recession, Brexit and more recently the C19 pandemic. The LGFS acknowledges this and confirms that government will undertake a review over the next year with the sector with reference to the Levelling Up white paper published on 2 February which sets out how

government intend to spread opportunity more equally across the UK. This signals the potential for reallocations of resourcing from 2023/24 onwards within local government. It is unclear whether this will be beneficial for Haringey or not, however it does create a level of uncertainty that was not anticipated at the time of the three-year spending review announcements in October.

- 9.11. Although the direct impacts of the C19 pandemic appear to be receding, the local government sector continues to see increased demand and cost pressures as a consequence of the pandemic, and these are costs for which no further direct government resource has been made available. The 2022/23 Budget has recognised this and directed growth where possible in order to build as realistic budgets as possible.
- 9.12. On a macro-economic scale, the UK and much of the world is facing inflationary pressures not seen for many years. A rapid increase in energy costs, particularly the wholesale price of gas, has been a key driver of the recent increases in inflation. Disruption to global supply chains has also increased prices. Pandemic shutdowns of factories in Asia have caused a shortage of semiconductors, an important component in common consumer goods such as cars and home appliances. Global shipping costs have also increased, as shipping firms reduced capacity by 11% during the pandemic in anticipation of reduced demand.
- 9.13. The latest Bank of England forecast has inflation peaking at 7.25% in April 2022. Inflation is expected to remain high for the next two years: the Bank expects that inflation will not reach its 2% target until the second quarter of 2024.
- 9.14. Government has recently announced some one-off measures to help offset the impact of the energy price increases for households although it has chosen to continue with the planned introduction of the Health and Social Care levy from April 2022. This will add an additional 1.25% to national insurance paid by both employees and employers. Aligned with the additional ASC precept that Government assumes councils will apply, adds financial pressures to many of our businesses and residents even if they are in work. These factors are also likely to drive wage growth across most sectors.
- 9.15. The 2022/23 Budget and MTFS 2022/27 has made estimates of the budgetary impact of these inflationary pressures and has made allowances based on these assessments. Clearly the assumptions beyond 2022/23 become less sound and will need to be tracked carefully as part of the new financial planning cycle.
- 9.16. 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

- 9.17. The approach taken to the financial planning process has been markedly different this year, planned to lead to what is now a very different kind of budget being proposed. We have been clear from the onset that we need to continue

our council change agenda, particularly in light of the ongoing effects of the Covid-crisis and change in needs that that has brought about. We have also recognised that this type of change is difficult and takes time, and that the Council is now starting to consider how the new four year borough plan should be framed, which will provide the essential framework for that change. Our budget strategy also allows us to better focus on the delivery of the next year of our already agreed savings strategy, which in itself represents £12m for 2022/23.

- 9.18. Our strategy has been to look to align fundamental future budget decisions with knowledge of our fundamental future funding position, in the context of that new borough plan. We have also gone into this budget round knowing that the Council as part of its outturn for 20/21 was able to assign £10m into the Strategic Budget Planning reserve, in anticipation of the sorts of timescales that would be associated with such future change.
- 9.19. An extensive exercise was carried out over the summer and autumn to gather data and evidence to enable informed decisions to be made about where to direct the limited resources; not all items of growth put forward were able to be accommodated however the proposed budgets are as realistic as possible. A total additional funding this budget round of £6.0m to Adults and £6.6m to Children's. Some of this will be met from the application of the additional 1% ASC precept that is proposed to be levied in 2022/23 as well as the additional specific social care grants announced in LGFS.
- 9.20. However, unavoidable or demand growth has been identified in all directorates and a total of £17.589m new service specific growth is proposed for 2022/23 as part of this year's process with a total of £23.757m across the MTFS period.
- 9.21. The improved funding position post LGFS has allowed additional budget to be directed into the care services from 2022/23 which has also enabled a small re-balancing of the assumed use of this reserve between 2022/23 and 2023/24. The overall impact on the MTFS is that the major step up in gap is now forecast for 2024/25 (£12m), which is a year later than previously assumed.
- 9.22. Looking forward, this financial planning strategy, will enable the Council to achieve a stronger platform to approach the new programme of change required to address the structural c. £20m gap and which will align with the priorities identified in the Council's new Borough plan.
- 9.23. 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.
- 9.24. The Council has previously agreed £13.3m of savings to be delivered across the period 2022-2026 and these are set out below.

Priority	Total				
	2022/23	2023/24	2024/25	2025/26	Total Savings
	£000	£000	£000	£000	£000
Housing	340	51	12	1	404
People - Adults	4,161	535	-	-	4,696
People - Children	1,679	130	230	0	2,039
Place	2,649	(1,370)	1,360	170	2,809
Economy	100	100	100	70	370
Your Council	751	6	-	-	757
Total Savings - Priorities	9,680	(548)	1,702	241	11,075
Cross-Cutting Proposals	2,250				2,250
Total Savings	11,930	(548)	1,702	241	13,325

- 9.25. The Council closely monitors progress on delivering agreed savings and provides quarterly RAG rated reports to Cabinet. The C19 pandemic has continued to have some impacts on delivery during 2021/22 predominately in Adult services, as officers had to re-focus efforts on responding to the different and increasing demands presenting. The financial planning process has acknowledged this and has built in an allowance for re-profiling of £3.250m agreed savings and up to £0.750m to be permanently written out.
- 9.26. The Council also holds a single corporate contingency which can also be called on to manage any slippage to the agreed budget reduction programme in any one year as well as addressing unforeseen circumstances which cannot realistically be built into budget plans. The contingency for 2022/23 and across the remainder of the MTFS is £7.4m.
- 9.27. The proposals 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 and have also been highlighted as one of the authority's higher risks in the CIPFA resilience analysis.
- 9.28. It is acknowledged that one of the larger growth areas in the Council's budget is the capital financing costs associated with the impact of investment in the council's expansive capital programme. This has rightly been a focus throughout the budget setting and scrutiny process and the Cabinet budget reports have made clear the revenue implications associated with each project. The authority must continue to keep a close focus on its capital programme and the revenue implications of this in future years.
- 9.29. In summary, the MTFS recognises both a significant step up in budget gap from April 2024 and the use of Strategic Budget Planning reserve across the next two financial years to facilitate balanced budgets. The financial strategy this year, set out above, has clearly recognised this and will require the organisation to start work on identifying solutions and opportunities now. To implement and deliver service transformation of the scale required will require recourse to one-off funding which confirms the need to maintain sufficient earmarked reserve funding specifically for this. The Transformation reserve and the use of capital receipts direction flexibility will be important in this respect

- 9.30. This challenging financial horizon also supports the proposed maintenance of the £7.4m annual contingency across the MTFS period.

2021/22 Budgetary Position

- 9.31. At the end of Quarter 3 for 2021/22, the draft budget monitoring position indicates a year end General Fund (GF) deficit of circa £21.8m however, £12.4m of this is C19 related, and the council still expects to be recompensed by the government for this element.
- 9.32. Of more concern is the residual forecast base budget pressure which was £10.2m at Qtr2. Quarter 3 has seen a further £2.6m increase in base budget forecast pressures in the two care services over and above the £8.9m reported at Qtr2. Much of the forecast variance is caused by the indirect impact of the pandemic which continue to drive a significant step up in demand since the original budgets were set; this has been coupled with increased placement and other costs. These are pressures not expected to be met by Government this year as they are consequential, rather than direct impacts of the pandemic.
- 9.33. The overall forecast outturn for Qtr3 of £9.37m is already net of a £6.1m forecast underspend against corporate budgets, predominately interest payments and earmarked inflationary budget provisions no longer forecast to be required this year. Where the Council has a statutory duty to provide a service, the options to reduce costs are constrained however, directors will continue to look to mitigate the pressures where possible. The financial planning process for 2022/23 has sought to recognise and respond to the increased demand seen across the current year and social care budgets in particular have been increased as far as possible to match this evidenced demand.
- 9.34. Outside the General Fund, the position on the Dedicated Schools Grant continues to be of concern to Haringey, with a projected overspend of £6.5m for 2022/23. New provisions have been put into the School and Early Years Finance (England) Regulations 2020 which sets out on a statutory basis, a new requirement that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the local authority not to do this. The Council must therefore carry forward its overall DSG deficit in an account established, charged, and used solely for the purpose of recognising deficits in respect of its school's budget. The DSG Deficit Reserve which is used to hold the DSG deficits (£17.2m as at 31st March 2021) has now been designated as unusable in the Statement of Accounts in line with the regulations. The final 2022/23 year end overspend will need to be added to this balance. Authorities are required to prepare DSG Management Plans as live documents to be shared with the DFE periodically.
- 9.35. Overall, the Chief Financial Officer is satisfied that the estimates underpinning the Cabinet's proposals for the 2022/23 Budget are robust however, challenges remain across the whole MTFS period.

Adequacy of Reserves

- 9.36. 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.
- 9.37. The level of reserves is subject to the approval of the Council and will be set at the level commensurate with their identified need.
- 9.38. 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.
- 9.39. All reserves have been reviewed and their level judged to be adequate and the continued need for them appropriate.
- 9.40. Annex 3b also shows the projected movement on the reserves over the current (2021/22) financial year, based on the position at Period 10.
- 9.41. It is projected that the Council will have un-earmarked General Fund balance of £15.8m at 31st March 2022. The final position will be dependent however on the Council's 2021/22 financial outturn.
- 9.42. 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 and based on knowledge at the current time, have been calculated at £20.5m as set out in Annex 3c. This risk can be covered by the existing Resilience reserve and the General Fund reserve. 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.
- 9.43. No change to the Council's Reserves Policy is recommended.

Treasury Management

- 9.44. The Treasury Management Strategy Statement (TMSS) for 2022/23 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 1st February 2022 and recommended it for approval by Full Council; the report from that Committee is included elsewhere on this agenda.
- 9.45. The Council's Overview and Scrutiny Committee also considered the TMSS on 20th January 2022 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

- 9.46. The proposed prudential indicators are based on the proposed Capital Programme as reported to Cabinet on 8th February 2022. 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 2022/23 and proposes that Council Tax is increased by 1.99% with an additional 1% 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 2022/23 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 2022/2027 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 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 8th February 2022. 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 2022/23 that for 2022/23 an increase is excessive if the authority's relevant basic amount of Council tax for 2022/23 is 3% (comprising 1% for expenditure on adult social care and 2% for other expenditure), or more than 3%, greater than its relevant basic amount of Council tax for 2021-22. 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 3% 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 8th February 2022, attached as Annex 1.

12. Use of Appendices

Annex 1 – Cabinet report of 8th February 2022 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 2022/23.
- NLWA Budget Proposals report agreed 10th February 2022.
- GLA Budget proposals report agreed 24th February meeting 2022.

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 08 February 2022

Title: 2022-23 Budget and 2022-2027 Medium Term Financial Strategy

Report authorised by : Jon Warlow, Director of Finance

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring & Thomas Skeen, AD Finance

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 The Draft Budget presented to Cabinet on 7th December 2021 made explicit that a markedly different approach had been taken to the financial planning process this year. Directing assumed improvements in government grant funding to addressing essential budget growth and a considered use of one-off funding from the Strategic Budget Planning reserve would enable the Council to have more time and space to determine the new programme of change required to address the structural c. £20m gap in the medium term, which will also align with the launch of the Council's new Borough plan.
- 1.2 The Provisional Local Government Finance Settlement (PLGFS) was announced on December 16th 2021 and didn't suggest any change to this strategy was required. The PLGFS provided funding figures for one year only, despite SR21 covering three years. This approach was taken to enable Government to complete the Fair Funding review work in tandem with the Levelling Up agenda to ensure future funding allocations are based on up to date assessments of need and resources. For the Local Government sector, this continues to create difficulties in medium term planning with any certainty and builds in further risk.
- 1.3 The PLGFS confirmed the December report funding assumptions as sound but also provided an overall net improvement of £5.8m the majority of which is now assumed as on-going. £2m related to increased social care grants, £1.8m inflationary increases on business rates income and the final £2m from the council's participation in the new 8 borough London business rate pool which received approval in the PLGFS. Outside the PLGFS, confirmation was provided that the Homelessness Prevention Grant would continue in 2022/23 at the same level for Haringey.
- 1.4 Revised estimates of both the NLWA levy and Concessionary Fares charges for 2022/23 have now been received which provide short-term improvements to the budget assumptions in December.

- 1.5 Whilst there have been some budgetary improvements, there is increased concern over the level of pressures faced by local authority care services, which was highlighted in the Qtr2 Finance report. Further assessment has been undertaken, particularly in the light of the exposure to upward inflationary pressures in these services, and it is now recommended that, with the improvement to funding since December, further budget provision be allocated here. When combined with the growth allocations proposed in December's draft paper, this provides a total additional funding this budget round of £6.0m to Adults and £6.6m to Children's. This is on top of pre-agreed growth in Adult's of £1.1m.
- 1.6 Additionally, due to the on-going upward inflationary trends in the economy the Budget and MTFS propose some augmented assumptions for both pay and non-pay.
- 1.7 Overall, the funding changes and assumptions since the December report have enabled an additional £6m to be added to the People Priorities (Adults & Children's) on an on-going basis and the proposed contributions from reserves across the MTFS has been re-balanced with £4.5m now assumed for 2022/23.
- 1.8 The PLGFS also confirmed that local authorities could increase their Council Tax up to 1.99% without referendum and also allowed for an additional 1% 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 assumptions.
- 1.9 The Budget and MTFS have been revised to include the impact of the funding and expenditure changes outlined above and take due regard to the consultation feedback, recommendations from the Council's Overview and Scrutiny Committee and Equalities impact.
- 1.10 In accordance with the Local Government Finance Act (LGFA) 1992, Full Council must approve the Budget for the forthcoming year and agree council tax for that year by the statutory deadline of 11th March. This report forms a key part of this budget setting process by setting out the planned funding and expenditure for that year. 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. Full Council will consider the Budget package contained in this report at their meeting on 1st March 2022.
- 1.11 Additionally, in order to ensure the Council's finances over the medium term are built on a sound basis, the Council always maintains a five year future forecast of its finances via its MTFS. The structural budget gap still remains. After the above assumptions and taking account of carefully planned use of reserves (£10m), the major step up in gap is now forecast for 2024/25 which is a year later than previously assumed. This extra period will allow for the finalisation of the re-framed priorities in the new Borough Plan and to benefit from greater clarity over the future national funding distribution. In summary, this financial strategy will best ensure that future resource plans are driven by the re-freshed priorities and align with clearer knowledge of the Council's future funding.

- 1.12 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 and Early Years blocks.
- 1.13 The report includes the draft Housing Revenue Account (HRA) revenue budget and HRA Capital programme. The HRA financial plan demonstrates how the authority will finance and afford both significant investment in it's current stock and an expansive/build acquisition programme. This revised HRA financial plan, which is in its fourth year, recognises 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.
- 1.14 In summary, this report finalises the Council's General Fund and HRA 2022/23 Budgets and Medium-Term Financial Strategies for 2022-2027.
- 1.15 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 and any other late notifications from government departments – again there are no indications that this will bring forward any / material changes to the provisional figures already received.
- 1.16 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.

2. Cabinet Member Introduction

- 2.1 Our 2022/23 budget, is the first one in years that balances itself without the need for additional savings (and even allowing for some, much needed, investments in the development of vital services), whilst maintaining our prudent fiduciary approach (with adequate balances, reserves and contingencies) and at the same time containing the levels of council tax and other charges for council services within inflation, with additional measures for protecting as much as possible the more vulnerable and less wealthy.
- 2.2 Significantly our budget also continues and accelerates our efforts to align all aspects of our operations to our future updated Borough Plan and political priorities.
- 2.3 This has been achieved against the devastating impact of the pandemic on our citizens and local businesses. This follows on from a decade in which local councils like ours have been forced into spending reduction programmes following the decade of austerity measures.

- 2.4 The Council's approach to its annual budget setting has also been markedly different this year, in that it reflects the fundamentally changed environment we operate in as we recover from the pandemic. Our communities will continue to feel the ongoing effects of the pandemic for many years to come, and this will translate into increased demand for our services on many fronts, but particularly in our demand led areas (Children, Adults and Temporary Accommodation). Taking into account this increased demand, our funding position looking forward will remain challenging, and we are therefore clear that the Council will need to progress a change agenda to ensure we continue to best support residents in a financially sustainable way. We have therefore adopted a strategy which makes calculated investments in key priority service areas and will enable the Council to focus on developing its change agenda for delivery in future years, which will align with the launch of the Council's new updated Borough plan.
- 2.5 The provisional local government finance settlement has been announced since the draft budget report was published in December 2021. As is set out in this report, this, along with some other changes due to our continuing "leaving no stone unturned" approach, have led to a short-term betterment in our financial position, which will allow us to further increase the resilience of our demand led social care budgets. However, we are clear that in the medium term the Council will only be able to keep setting balanced budgets by finding more ways to reduce costs, and raise funds, which will be challenging for the organisation to deliver given this follows on from a decade of austerity measures, and in the new context of rising demand for our service post the pandemic.
- 2.6 The provisional local government finance settlement covered a 1 year period only, despite the spending review being for a 3 year period. The government have signalled their intention to review the funding mechanisms for the local government sector as a whole, over the next year. We will engage thoroughly as an organisation with this work: we strongly believe that a fair redistribution of resources within the sector which takes account of the inherent need within our communities, would lead to increased funding for our borough. However there is a risk that the new funding allocation mechanisms adopted by the government worsen our funding position. This is something we will keep under a close review in the coming year.
- 2.7 As part of this budget the Council proposes to raise Council tax by 1.99% for the general council services, plus a further 1% social care precept, which adds up to a total of 2.99%, (ie lower than the anticipated rate of inflation). In practice this would mean that the increase for a Band D property (excluding the GLA element) will be 83 pence per household per week, and we continue to have a comprehensive Council Tax Reduction Scheme that means that over 16,000 residents pay no Council Tax at all. We recognise that even this modest council-tax increase at this challenging time will be an additional ask for some. However, without these resources we would have to cut back our support and services for the most vulnerable in our borough. We do not believe that this is the right thing to do.
- 2.8 In summary, I am pleased to be able to present here the 2022/23 Budget and 2022/23-26/27 MTFS: despite unprecedented organisational challenges we have adopted a realistic budget strategy, to support the work of the Council.

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 2022/23 nor to the MTFS 2022/27.
- 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 2022/23 nor to the MTFS 2022/27.
- 3.3 Propose approval to the Council of the 2022/23 Budget and MTFS 2022/27 Budget Proposals as set out in Appendix 2.
- 3.4 Propose approval to the Council of the 2022/23 General Fund Revenue Budget as set out in Appendix 1, including specifically a General Fund budget requirement of £262.923m, 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) 2022-2027 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 2022/23 will be £1,484.13 per Band D property, which represents a 1.99% increase on the 2022/23 Haringey element and with an additional 1% 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 79,303 for the financial year 2022/23.
- 3.8 Propose approval to the Council of the 2022/23 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) 2022-2027 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 and Sheltered/Supported 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 Propose approval to the Council of the 2022/23 – 2026/27 General Fund capital programme detailed in Appendix 4.

- 3.13 Propose approval to the Council of the 2022/23 – 2026/27 Housing Revenue Account (HRA) capital programme detailed in Table 9.5.
- 3.14 Propose approval to the Council of the Capital Strategy detailed in Section 8 of this report.
- 3.15 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).
- 3.16 Propose to the Council the Dedicated Schools Budget (DSB) allocations for 2022/23 of £282.282m as set out in Appendix 7.
- 3.17 Note the funding to be distributed to primary and secondary schools for 2022/23 based on the figures advised to Schools Forum and submitted to the Education Funding Agency in January 2022 set out in Section 10.
- 3.18 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.
- 3.19 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.
- 3.20 Delegate to the Section 151 officer, in consultation with the Cabinet Member for Finance, the power to make further changes to the 2022/23 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 2022/23 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 2022/23 Budget and sustainable MTFs over the five-year period 2022/27, to be reviewed and ultimately adopted at the meeting of Full Council on 1st March 2022.

- 5.2 Clearly there are options available to achieve a balanced budget and the Council 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, the estimated impact of wider environmental factors such as the Covid-19 pandemic and the Council's overall financial position.
- 5.3 These final proposals now presented take into consideration the funding allocations announced in the Provisional Local Government Finance Settlement, the responses to the consultation and the Overview & Scrutiny process.

6. Background information

- 6.1 The Council has access to five main sources of funding:

- Business Rates
- Council Tax
- Grants
- Fees & Charges
- Reserves

Business Rates and Grants are largely driven by the outcome of Spending Reviews and the Local Government Finance settlement.

The Provisional Local Government Finance Settlement (PLGFS) was announced on 16 December 2021. The figures published 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 into the report to Full Council on 1st March. The section immediately below highlights the main messages from the PLGFS and its impact for Haringey. The specific sections have then been updated to show the funding assumptions now built into the 2022/23 Budget & 2022-2027 MTFS.

Provisional Local Government Finance Settlement 2022/23

- 6.2 The PLGFS was published on 16 December 2021 and, despite the Government setting a multi-year Spending Review (SR21), the settlement only provided for a single financial year (2022/23). The Government has stated that this was 'to prioritise certainty'.
- 6.3 Nationally the settlement increases core spending power by up to £3.5bn nationally, which the government has stated is a 4% real terms increase for the 22/23 year, and is slightly increased from the assumed £3.3bn announced earlier in the year at the spending review (the difference being the government's assumptions about the growth in the council tax).

- 6.4 The spending review announced £4.8bn of new funding for the sector, over three years (roughly £1.6bn per annum) and the December report assumed this would be a net benefit to Haringey of c.£5.5m per annum.
- 6.5 The PLGFS provides some inflationary increases to existing grants, but the bulk is directed into two new grants:

- New Social Care Grants - £700m nationally: this includes £3.2m additional grant for Haringey
- New '2022/23 services grant' of £822m nationally: Haringey's share is £5.7m. The government has stated that although the funding remains, this specific grant is for one year only and, going forwards, will work with the sector to determine the future distribution methodology. This funding is also expected to cover the cost to the Council of increased national insurance contributions which will be a cost of c. £1.5m to Haringey, which means the net betterment would be anticipated to be £4.2m.

Overall, this represents a net improvement of £2m compared with the December budget assumption.

- 6.6 The Spending Review (SR21) announced additional core funding for social care of £3.6bn over 3 years, to cover the costs to local authorities of making the changes announced in the autumn which cap individuals' contributions to paying for their care and change the contribution thresholds. The bulk of this funding will impact the 23/24 and 24/25 financial years, however a small amount will impact on 2022/23 via the Market Sustainability and Fair Cost of Care Fund. The government is proposing to allocate £162 million through the ASC Relative Needs Formula (RNF) to support Local Authorities prepare their markets for reform and move towards 'paying providers a fair cost of care'. It is unclear as yet the impact this will have on Haringey, or our share of funding, or indeed exactly what this activity is intended to fund, however the assumption is that this will not be a betterment to Haringey budgets, and that any new funding will come with new burdens attached. Haringey's allocation is £0.775m.
- 6.7 The settlement announced a continuation of the lower tier services grant, and New Homes Bonus for 2022/23. This is in line with the assumptions in the December budget and MTFS, these total £0.8m and £1.2m respectively.
- 6.8 Confirmation was provided that the main council tax referendum principle will be 2% with an additional 1% Adult Social Care (ASC) Precept.
- 6.9 The government has signalled that the 22/23 settlement is intended to provide for stability, but that its longer term aim is to ensure funding allocations are based on up to date assessments of need and resources. The settlement goes on to state that this data has not been updated by the government in several years but that a review will take place over the next year, with the sector. This signals the potential for reallocations of resourcing from 2023/24 onwards within local government. It is unclear whether this will be beneficial for Haringey or not, however it does create a level of uncertainty that was not anticipated at the time of the three year spending review announcements in October.

Other Announcements Since December 2021

- 6.10 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 Homelessness Prevention Grant and the allocations for 2022/23 were published on 21 December. Haringey will receive £8.4m, the same as the 2021/22. Originally this funding was seen as time-limited however given that it has been in existence for a number of years it was built into Housing base budgets during last year's budget process.
- 6.11 Notable allocations still to be announced include the Public Health Grant and the Supporting Families programme.

Business Rates

- 6.12 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.
- 6.13 The intention was for business rates baselines to be reset from April 2020 however, both SR19 and SR20 confirmed annual delays. The last formal announcement was for a reset in April 2022. While the SR21 was silent on this point the wider local government sector expects another postponement and this has been modelled in the current budget assumptions.
- 6.14 The Council participated in the London Pool for three years (2018/19 – 2020/21). London chose not to continue the Pool in 2021/22 due to the significant impact that the C19 pandemic had had on the business community and therefore forecast revenues. A London-wide pool for 2022/23 was modelled but wasn't able to make a sufficiently robust economic case for taking forward. However, the Council has been invited to be part of a smaller 8 London borough pool, and the PLGFS confirmed Government approval for this pool to proceed. Further analysis since the December draft budget report confirms that participation is expected to be beneficial to Haringey with a one-off £2m benefit now built into the Budget for 2022/23. The final decision to participate in this pool was delegated by Cabinet at its meeting on 7 December 2021 to the Director of Finance in conjunction with the Lead Member and this has now been formally approved and confirmed to the City of London, the Lead borough.
- 6.15 SR21 announced a continuation of the freeze to the business rates multiplier in 2022/23. Therefore, the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remain unchanged however, the Council will be fully reimbursed for this via a Section 31 under-indexation multiplier grant.
- 6.16 The PLGFS confirmed that RSG would be increased by 3.1% in line with what would have been the increase to the multiplier.
- 6.17 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.

- 6.18 The C19 pandemic continues to have a more fundamental impact on income collection from businesses than residents. This will impact on the targeted collection rate set for 2022/23. Any shortfall against this target will manifest as a deficit in a future year.
- 6.19 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 Income Forecast	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Revenue Support Grant	22,115	22,797	23,047	23,262	23,722	24,191
Business Rates Top Up	58,412	60,770	62,770	66,134	67,416	68,724
Retained Business Rates	22,137	21,218	21,218	22,291	22,737	23,192
NNDR Surplus/(Deficit)	(225)	(225)	(225)	-	-	-
S31 Grants / Redistributed Growth Funding (post reset)	6,515	6,737	6,737	4,000	4,000	4,000
Share of Pool Growth	-	2,000	-	-	-	-
Total	108,954	113,298	113,548	115,687	117,876	120,108

- 6.20 There continues to be uncertainty around the business rates regime beyond 2022/23 although SR21 and recent announcements suggest that no large-scale amendments to the model as it exists are to be expected. However, a date for the business rate baseline reset is still to be confirmed as is the outcome of the Fair Funding Review. This will impact on business rates as it derives each authority's baseline funding against which growth is measured.
- 6.21 Because of the uncertainty beyond 2022/23, the assumptions in Table 6.1 and their impact on the MTFS are open to significant risk.

Council Tax

- 6.22 The following assumptions have been made about Council Tax:-

- A 1.99% increase in Council Tax in 2022/23 and for each subsequent year is assumed (subject to the referendum limits set by Government)
- A 1% increase in ASC Precept for 2022/23 to 2024/25 inclusive, as announced in the SR21
- The tax base is forecast to grow by 3.5% in 2022/23 after a budgeted reduction of 1.5% in 2021/22 due to assumptions about the negative impact on the building trade caused by the C19 pandemic. 1.5% is assumed in 2023/24 whereafter assumed growth returns to 1% pa to the end of the MTFS planning period

- The collection rate is now assumed to improve to 95.75% for 2022/23 and 96.0% 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 surplus was refined and reduced as part of last year's financial planning process to reflect the forecast impact of the C19 pandemic on revenues. These forecasts remain unchanged in this Budget and MTFS.

6.23 These assumptions have been used to derive the 2022/23 council Taxbase of 79,303 (Decision report attached as Appendix 11) and will be used for the formal Council ratification of Council Tax Rates in March 2022.

Table 6.2 Council Tax Assumptions

COUNCIL TAX ASSUMPTIONS						
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Taxbase before collection rate	81,392	80,151	82,823	84,065	84,906	85,755
Taxbase change	-1.5%	3.5%	1.5%	1.0%	1.0%	1.0%
Taxbase for year	80,151	82,823	84,065	84,906	85,755	86,613
Collection Rate	95.50%	95.75%	96.00%	96.50%	96.50%	96.50%
Taxbase after collection rate	76,544	79,303	80,702	81,934	82,754	83,582
Council Tax increase	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	3.00%	1%	1%	1%	0%	0%
Band D rate	£1,441.05	£1,484.13	£1,528.50	£1,574.19	£1,605.51	£1,637.45
Council Tax Before Surplus (£000)	£110,304	£117,696	£123,353	£128,980	£132,862	£136,861
Previous Year (Estimated) Surplus	£1,925	£1,925	£1,925	£2,175	£2,175	£2,175
CIPFA Counter Fraud Income	£25	£25	£25	£25	£25	£25
Council Tax Yield (£000)	£112,254	£119,646	£125,303	£131,180	£135,062	£139,061

Grants

6.24 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

6.25 The PLGFS announced additional social care grant funding which provided an additional £3.2m for Haringey. It also confirmed an inflationary increase to the Better Care Fund and Improved Better Care Fund. A small inflationary increase has been assumed for 2023/24 then reverts to cash flat given the expected fundamental review of government resource allocation methodology across the next 2 years.

6.26 Government outlined at Spending Review 2021 that social care reform funding would be part of Core Spending Power. In 2022/23, this will be the **Market Sustainability & Fair Cost of Care Fund** worth £162 million nationally. Government proposes to distribute this funding using the existing ASC RNF.

This funding for 2022/23 is designed to ensure local authorities can prepare their markets for reform (particularly the impact of section 18(3)) and move towards paying providers a fair cost of care, as appropriate to local circumstances. Haringey's allocation is £0.775m but is assumed to be fully required to comply with the specific grant conditions and therefore no net overall benefit to the Council's bottom line.

- 6.27 Government have confirmed that they will work closely with local government to determine appropriate grant conditions, national guidance and distribution mechanisms for funding allocations in 2023 to 2024 and 2024 to 2025. Given that no further information is available on the methodology or conditions, no grant figures have been projected forward. It should be noted that any allocations for those years are expected to come with expenditure commitments and therefore is unlikely to add to the Council's overall funding.
- 6.28 Forecast figures for 2023/24 onwards remain uncertain and should these assumptions not materialise, it could have a significant impact on the current forecast gap across those years.
- 6.29 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

Original Grant Name	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'001
Better Care Fund (BCF) - (CCG Contribution)	6,017	6,047	6,388	6,388	6,388	6,388
Improved & Add'l Imp Better Care Fund (iBCF)	9,518	9,806	9,847	9,847	9,847	9,847
Social Care Support Grant	8,726	11,905	12,045	12,045	12,045	12,045
Mkt Sustainability & Fair Cost of Care Fund	0	775	tbd	tbd	tbd	tbd
Total	24,261	28,533	28,280	28,280	28,280	28,280

Core Grants

- 6.30 The following sets out the most up to date notifications or assumptions built into the Budget/MTFS:
- The **Local Council Tax Support Administration** grant is assumed to be cash flat for 2022/23 and across the MTFS;
 - The **Housing Benefit Administration Subsidy (HBAS)** grant is estimated to reduce by £0.140m for 2022/23 as the Government have now moved fully to the revised methodology which is based on the latest available caseload figures rather than estimates. The progress with the full rollout of Universal Credit is still slow and therefore, the grant figure beyond 2022/23 is currently assumed to hold at the 22/23 level. This will be revisited at the next MTFS refresh;

- The **Public Health** grant for 2022/23 has still not been announced. SR21 indicated an inflationary increase to this grant however, as the funding is ring-fenced to Public Health activities both income and expenditure budgets will be updated based on the actual grant figures. The table below therefore still reflects current grant levels.;
 - The PLGFS confirmed that the **Council Tax Support** grant provided in 2021/22 ceases as this was provided purely to mitigate the impact of the C19 pandemic on numbers eligible for council tax support schemes. Notwithstanding the discontinuation of this grant, the Council continues to budget for the same level of CTRS support;
 - **Business rates S31 grants** – this has been addressed in the Business Rates section above;
 - The PLGFS confirmed that for 2022/23 the government intended to maintain the current approach to the **New Homes Bonus** scheme and also to honour previously announced legacy payments in the 2022/23 allocations. Although this is likely to be the final year of the scheme, the funding is expected to remain within the Local Government funding sector and therefore the MTFS assumes that a similar level of funding will be provided from 2023/24;
 - **Lower Tier Services Grant** – the PLGFS confirmed that this would continue for 2022/23 and is assumed to continue across the MTFS at the same level;
 - The PLGFS announced a new, **2022/23 Services Grant**, with £5.652m allocated to Haringey. Government confirmed that this is a one-off allocation and is expected to cover the costs for the increase to the employer National Insurance contributions. Government will work with the local government sector on how best to use this funding from 2023/24. The MTFS assumes that Haringey will continue to receive this level of funding under the new methodology.
 - **Homelessness Prevention Grant** - allocations for 2022/23 were published on 21 December. Haringey will receive £8.4m, the same as the 2021/22. Originally this funding was seen as time-limited however given that it has been in existence for a number of years it was built into Housing base budgets during last year's budget process (so excluded from table below). DLUHC have since advised that they will be reviewing the formula currently used to allocate funding and that future funding is likely to have some element of performance related payment. Given the size of this grant, there is a risk to next year's budget if the value decreases significantly.
- 6.31 The table below shows assumptions about these grants over the 5-year MTFS period.

Table 6.4 – Core Grants

Grant Name	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Council Tax Support Admin Grant	457	457	457	457	457	457
Housing Benefit Admin Grant	1,491	1,351	1,351	1,351	1,351	1,351
Public Health Grant	20,353	20,353	20,353	20,353	20,353	20,353
New Homes Bonus (NHB)	1,208	1,208	1,208	1,208	1,208	1,208
Business Rates - Section 31 Grants	6,515	6,737	6,737	4,000	4,000	4,000
Council Tax Support Grant	3,606	-				
2022/23 Services Grant	-	5,652	5,652	5,652	5,652	5,652
Lower Tier Services Grant / NHB Replacement	756	796	796	796	796	796
Total	34,385	36,554	36,554	33,817	33,817	33,817

Fees and Charges

- 6.32 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.
- 6.33 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.
- 6.34 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.
- 6.35 Each year the Council reviews the level of its fees and charges through consideration of a report by the Cabinet and its Licensing Committee where it is a requirement that they are considered and approved outside of the Executive. The 2022/23 Fees & Charges were approved by Cabinet at its meeting of the 7 December 2021 and the Licensing Committee on the 13 January 2022.
- 6.36 The impact of fees and charges increases have been included in the MTFS projections.

Use of Reserves

- 6.37 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.
- 6.38 In setting a balanced budget for 2022/23 the Council will use £4.5m (slightly lower than had been assumed in the draft report in December) from the Strategic Budget Planning Reserve, which had been previously earmarked for this purpose. As part of its outturn for 2020/21 the council was able to assign £10m into this reserve in anticipation of the timescales that would be associated with responding to future budget changes. The 2023/24 General Fund forecast presently assumes that the balance of this £10m will be required in that year.

- 6.39 The March 2022 Cabinet and Full Council reports 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

- 6.40 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	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		£'000	£'000	£'000	£'000	£'000	£'000
Table 6.1	Revenue Support Grant	22,115	22,797	23,047	23,262	23,722	24,191
	Top up Business Rates	58,412	60,770	62,770	66,134	67,416	68,724
	Retained Business Rates	22,137	21,218	21,218	22,291	22,737	23,192
	NNDR Growth	-	-	-	-	-	-
	NNDR Surplus/(Deficit)	(225)	(225)	(225)	-	-	-
Table 6.2	Council Tax	110,302	117,884	123,552	129,187	133,074	137,079
	Council Tax Surplus	1,950	1,925	1,925	2,175	2,175	2,175
Table 6.4	New Homes Bonus	1,208	1,208	1,208	1,208	1,208	1,208
	Public Health	20,353	20,353	20,353	20,353	20,353	20,353
	Other Core Grants	12,825	16,993	14,768	12,256	12,256	12,256
	Total (External) Funding	249,077	262,924	268,616	276,866	282,942	289,179
	Contribution from Reserves	1,688	4,714	5,500	-	-	-
	TOTAL FUNDING	250,765	267,637	274,116	276,866	282,942	289,179

7. General Fund Revenue Assumptions

7.1 2021/22 Financial Performance – General Fund (GF) Revenue

- 7.1.1 The 2021/22 Qtr2 Budget Update report highlighted an overall GF forecast variation from budget of £23.0m with £12.87m attributable to C19 and £10.2m to base budget pressures. The former has remained in the line with the forecast provided at Qtr1 and the £9.1m un-ringfenced emergency C19 grant plus other specific grants and income compensation are still expected to offset the £12.87m in full.
- 7.1.2 More worryingly, the forecast base budget pressure was an increase of £5m compared to Qtr1. The largest impact continues to be felt in the two care service priorities, accounting for £9m of the £10.2m; much of this appears driven by the legacy impact of C19. However, all other priority areas are forecasting pressures of over £1m totalling £15m gross. This figure is netted

down to the £10.2m by expected underspends on corporate budgets, predominately interest payments due to the lag in capital programme spend.

- 7.1.3 As outlined in Section 6, since the draft budget report was presented, there has been an overall betterment to the assumptions made then; a mixture of additional grant funding, improvements to Business Rates income and reductions in forecast payments to external bodies (NLWA & London Councils concessionary fares). This has enabled a further £6m of growth to be built into service budgets. Following an assessment of the specific pressures included in the Qtr2 forecasts, it is proposed to allocate this to the two care services with 60% (£3.6m) to Adults and 40% (£2.4m) to Children's. This is on top of the £11.8m growth recommended in the December report.
- 7.1.4 In response to the savings delivery forecasts included in the Qtr2 Finance Update report, the draft Budget presented to December Cabinet included a provision to mitigate these potential risks and this final Budget now proposes an allowance for re-profiling of £3.250m agreed savings and up to £0.750m to be permanently written out.
- 7.1.5 Covid-19 is expected to continue to impact on Business Rates and Council Tax (Collection Fund) income, both in year and arrears and the forecast impact has been built into the proposals presented in this report. The 2021/22 Budget and 2022/26 MTFS agreed last year spread the estimated business rates deficit over three years as required by legislation. It should also be noted that as part of the 2020/21 year end process bad debt provisions for all the council's key income streams were augmented to recognise as far as possible the estimated impact of C19 on individuals and businesses to fully settle their accounts with the council. With the ever increasing reliance on local tax revenues and other fees and charges to fund services more detailed quarterly reporting is proposed to be included in the Finance Update reports.
- 7.1.6 The year end Dedicated Schools Grant (DSG) forecast continues to be in deficit against the agreed budget. At Qtr2 £6.3m was forecast, all against the High Needs Block which continues to be driven by the increasing number of Education, Health and Care Plans (EHCP) in recent years. It should be stressed that following clear guidance last year, this is not a pressure that statutorily impacts the GF however it remains a significant concern for the whole sector.
- 7.1.7 In summary, as far as funding constraints allow, the key underlying budget pressures that have manifested during this financial year to date, which services cannot mitigate, have been taken account of and built in to the proposed 2022/23 Budget.

7.2 The 2022/23 Budget and 2022-26 MTFS Strategy

- 7.2.1 The approach taken to the financial planning process has been markedly different this year, planned to lead to what is now a very different kind of budget being proposed. We have been clear from the onset that we need to continue our council change agenda, particularly in light of the ongoing effects of the Covid-crisis and change in needs that that has brought about. We have also recognised that this type of change is difficult and takes time, and that the

Council is now starting to consider how the new four year borough plan should be framed, which will provide the essential framework for that change. Our budget strategy also allows us to better focus on the delivery of the next year of our already agreed savings strategy, which in itself represents £12m for 2022/23.

- 7.2.2 Our strategy has been to look to align fundamental future budget decisions with knowledge of our fundamental future funding position, in the context of that new borough plan. We have also gone into this budget round knowing that the Council as part of its outturn for 20/21 was able to assign £10m into the Strategic Budget Planning reserve, in anticipation of the sorts of timescales that would be associated with such future change.
- 7.2.3 The improved funding position post PLGFS has allowed additional budget to be directed into the care services from 2022/23 which has also enabled a re-balancing of the assumed use of this reserve. The overall impact on the MTFS is that the major step up in gap is now forecast for 2024/25, which is a year later than previously assumed.
- 7.2.4 Looking forward, this financial planning strategy will enable the Council to achieve a stronger platform to approach the new programme of change required to address the structural c. £20m gap and which will align with the priorities identified in the Council's new Borough plan.

Budget Growth / Pressures

- 7.3 The main **corporate** assumptions across the MTFS period are outlined below followed by a section focussing on the **service** specific items.

7.4 Pay Inflation

- 7.4.1 The pay deal for 2021/22 has still to be agreed as an offer of 1.75% was rejected and put to a ballot of members. Based on this challenge and also the forecasts for inflation next financial year alongside well documented increases in cost of living, the budget available for the pay award in 2022/23 has been increased to allow for c. 3%; a further 1.25% has been added to cover the employer share of the new NI levy. This falls back to c. 2.75% in 2023/24 reverting to 2% pa across the remainder of the MTFS period.

7.5 Non-Pay Inflation

- 7.5.1 The impact of inflationary increases in the demand led services is addressed as part of the overall annual demand modelling exercise. For all other non-pay inflation, the assumption continues that the services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, in recognition that some contracts include inflation-linked increases and utility costs continue to be volatile and difficult to predict, an annual allowance is built into the budget to address these items should they arise. The inflation forecasts provided in SR21 suggested that RPI could reach 4.4%. Since then further increases have been projected and therefore c. 7% has been provided for contract items with 25% on energy. 7% has been assumed for

2023/24 whereafter it returns to 3% pa across the remainder of the MTFS period.

7.6 Employer Pension Contributions

- 7.6.1 The outcome of the last triennial valuation, which covered the period 2020/21 – 2022/23, confirmed that the Pension Fund performance allowed for a decrease in the Council's contribution rate of 0.5% each year for those three years, equating to a saving of c. £0.5m per annum each year. A further £1m saving is now assumed to be delivered as part of the next triennial valuation.

7.7 Contingency

- 7.7.1 The Council holds a single corporate contingency largely to manage any slippage to the agreed budget reduction programme in any one year as well as addressing unforeseen circumstances which cannot realistically be built into budget plans. The contingency for 2022/23 and across the remainder of the MTFS is £7.4m.

7.8 Treasury & Capital Financing

- 7.8.1 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. These are consistent with the contents and recommendations in the draft Treasury Management Strategy Statement

7.9 Levies

- 7.9.1 The current assumption is that all Levy costs except the North London Waste Authority (NLWA) levy will remain broadly in line with the 2021/22 figures across the period.
- 7.9.2 The NLWA's North London Heat and Power Project (NLHPP) 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.
- 7.9.3 The NLWA Board in December 2021 agreed to progress with the procurement for the Energy Recovery Facility Works contract which will enable the NLHPP project to progress. As highlighted in previous reports, the borrowing costs required to deliver the new facility will need to be met from increased borough levies. Based on the latest forecasts from NLWA, an additional £0.9m has been built into the base budget for 2023/24 with some smaller step ups in later years. The sufficiency of these budget assumptions will be kept under review.
- 7.9.4 It should also be noted that £0.5m is held on the balance sheet against the NLWA levy cost in order to smooth the profile of future increases.
- 7.9.5 In terms of the 2022/23 levy, this is likely to be considerably lower (£1.6m) than the figure assumed in the December budget report as there are brought forward

balances available to reduce the calculated figure. Although the final figure will not be available until the Full Council report it is unlikely to shift significantly and therefore the 2022/23 budget assumes this one-off saving.

7.10 Policy Priorities

7.10.1 Since 2018/19, 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
- 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

7.11 Service Growth Budget Adjustments

7.11.1 As stated above, the 2022/23 Budget process has focussed on stabilising the Council's overall position by recognising existing and newly manifested pressures, many of which are products of the pandemic and on-going structural underfunding at a national level.

7.11.2 An extensive exercise was carried out over the summer and autumn to gather data and evidence to enable informed decisions to be made about where to direct the limited resources; not all items of growth put forward were able to be accommodated however the proposed budgets are as realistic as possible. The existing MTFS had a certain level of growth assumed which has been reviewed but found to still be sound.

7.11.3 Whilst there have been some funding improvements post PLGFS, there is increased concern over the level of pressures faced by local authority care services, which was highlighted in the Qtr2 Finance report. Further assessment has been undertaken, particularly in the light of the exposure to upward inflationary pressures and on-going C19 pandemic led and other demands in these services, and it is now recommended that, with the improvement to funding since December, further budget provision be allocated here. When combined with the growth allocations proposed in December's draft paper, this provides a total additional funding this budget round of £6.0m to Adults and £6.6m to Children's.

7.11.4 The table below summarises the total new service specific growth (£17.589m) proposed for 2022/23 as part of this year's process with a total of £23.757m across the MTFS period.

Table 7.1 – New Service Growth Budget Adjustment Proposals

	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
Housing	1,130	0	0	0	0	1,130
Adults	6,009	(42)	0	2,789	2,821	11,577
Children	6,572	144	420	620	20	7,776
Economy	865	(385)	(375)	0	(30)	75
Place	1,401	51	(100)	0	0	1,352
Your Council	1,872	(575)	0	0	550	1,847
TOTAL	17,849	(807)	(55)	3,409	3,361	23,757

7.11.5 As clear from the table, the service areas requiring the most growth continue to be the People related priorities of Adults, Health and Children. Some of this will be met from the application of the additional 1% ASC precept that is proposed to be levied in 2022/23 and the additional specific social care grants announced in PLGFS.

7.11.6 However, unavoidable or demand growth has been identified in all directorates. The following provide a flavour of what this growth will be used for with the full detail set out in Appendix 2:

- Significant investment to support vulnerable residents, with over £12m in our demand led budgets in Children's and Adults Social care and Temporary Accommodation.
- Investment in our VAWG agenda of £0.6m
- Investment in our climate and physical environment with increased funding of £0.5m for proactive tree maintenance, and £0.3m investment in highways drainage cleansing and maintenance
- Ensuring we remain a sustainable and fit for purpose organisation
Investment of over £1m in our back-office functions such as legal, information governance, procurement and social care commissioning to ensure we are able to support and enable the organisation.

7.12 Budget Reduction Proposals / Savings

7.12.1 The Council has previously agreed **£13.3m** of savings to be delivered across the period 2022-2026 and these are set out below.

Table 7.2 – Agreed Savings 2022-2026

Priority	Total				
	2022/23	2023/24	2024/25	2025/26	Total Savings
	£000	£000	£000	£000	£000
Housing	340	51	12	1	404
People - Adults	4,161	535	-	-	4,696
People - Children	1,679	130	230	0	2,039
Place	2,649	(1,370)	1,360	170	2,809
Economy	100	100	100	70	370
Your Council	751	6	-	-	757
Total Savings - Priorities	9,680	(548)	1,702	241	11,075
Cross-Cutting Proposals	2,250				2,250
Total Savings	11,930	(548)	1,702	241	13,325

7.12.2 No new budget reduction proposals are proposed for 2022/23 in line with the agreed financial planning strategy; instead focus has been placed on robustly challenging the existing agreed savings programme identifying where slippage might occur, how this could be mitigated and also acknowledging any savings that, largely due to wider economic conditions, were no longer deemed deliverable.

7.12.3 In response to the savings delivery forecasts included in the Qtr2 Finance Update report, the draft Budget presented to December Cabinet included a provision to mitigate these potential risks and this final Budget now proposes an allowance for re-profiling of £3.250m agreed savings and up to £0.750m to be permanently written out.

7.13 Summary Revenue Budget Position 2022/23 – 2026/27

The summary revenue budget position, including current projected gaps is identified below.

Table 7.3 – Summary Revenue Budget Position

	2021/22 Budget	2022/23 Draft Budget	2023/24 Projected	2024/25 Projected	2025/26 Projected	2026/27 Projected
Priority Area	£'000	£'000	£'000	£'000	£'000	£'000
Housing	16,102	16,939	16,888	16,876	16,875	16,875
People - Children	58,289	61,169	61,419	62,109	62,729	62,749
People - Adults	83,208	84,175	85,386	88,488	91,277	94,098
Place	23,999	19,642	22,369	22,115	21,945	21,945
Economy	6,166	7,154	6,854	6,429	6,359	6,329
Your Council	32,995	36,333	35,452	35,452	35,452	36,002
Non-Service Revenue	30,006	42,075	50,794	57,616	65,172	72,672
Council Cash Limit	250,765	267,487	279,161	289,084	299,808	310,669
Planned Contributions from Reserves	(1,688)	(4,564)	(5,500)			
Further Savings to be Identified	-	(0)	(4,820)	(12,218)	(16,867)	(21,491)
Total General Fund Budget	249,077	262,923	268,841	276,866	282,942	289,179
Council Tax	110,302	117,884	123,552	129,187	133,074	137,079
Council Tax Surplus	1,950	1,925	1,925	2,175	2,175	2,175
RSG	22,115	22,797	23,047	23,262	23,722	24,191
Top up Business Rates	58,412	60,770	62,770	66,134	67,416	68,724
Retained Business Rates	22,137	21,218	21,218	22,291	22,737	23,192
NNDR Surplus/(Deficit)	(225)	(225)	(225)	-	-	-
Total (Main Funding)	214,691	224,370	232,288	243,049	249,125	255,362
Core/Other External Grants						
New Homes Bonus	1,208	1,208	1,208	1,208	1,208	1,208
Public Health	20,353	20,353	20,353	20,353	20,353	20,353
Other core grants	12,825	16,993	14,768	12,256	12,256	12,256
TOTAL (Core/Other External Grants)	34,386	38,554	36,329	33,817	33,817	33,817
Total Income	249,077	262,924	268,616	276,866	282,942	289,179

7.13.1 The General Fund Budget 2022/23 proposed has a budget gap of £4.5m which will be met from a draw down from the Strategic Budget Planning reserve in line with the agreed financial planning strategy.

7.13.2 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.

7.14 Review of assumptions and risks 2022/23 – 2026/27

7.14.1 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 March 2022 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 Budget & MTFS.

7.14.2 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, inflation and changes to Government funding allocation methodology, underlines the need to maintain both a budgeted resilience contingency and keep general and earmarked reserves at current levels.

7.14.3 The main uncertainties and risks identified to date which may impact on the Council's budget for 2022/23 and over the period of the MTFS are:

- Funding assumptions for 2022/23 are subject to the final local government settlement expected in February 2022.
- On-going uncertainty about the final impact of the Covid-19 pandemic on 2021/22 budgets and also future years.
- The current inflation upwards trajectory could worsen or continue for longer than currently assumed
- The ongoing economic impacts of Brexit may continue to put pressure on costs and increase inflation; staffing in critical social care & health services, on local tax income levels
- 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 to be funded by general fund resources
- The expected Fair Funding Review and redesign of the Business Rates Retention scheme did not complete during 2021/22 as expected. The impact on funding for the Council on the eventual outcomes of both are not known at this time although these are expected to be overtaken by the Levelling Up agenda and associated funding distribution methodologies
- Increases in London Living Wage, or the minimum wage impacting the Council directly or through contracted spend 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. Conversely, in the immediate term, falls in numbers of families with children living in the borough are creating ongoing pressures for schools which are funded on a per pupil basis from the Government.
- 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.

- Any further deterioration in the forecast 2021/22 position including non-delivery of in year savings

8. Council's Capital Strategy and Capital Programme 2022/23 – 2026/27

8.1 Introduction

- 8.1.1 This is the fourth capital strategy report that has been prepared since it became a mandatory requirement upon local authorities. 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 deliverability of the Council's capital strategy, but the council has responded to the new challenges. In particular the capital programme for 2021/22 has continued 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 and works around school streets to make them safe. Despite the pandemic significant works have been undertaken to 8 schools and Pendarren.
- 8.1.3 Looking forward the Council's capital investment proposals include continued investment in the school estate, new investment in creating an in-borough Children's residential care provision, and increased investment in the infrastructure of the borough's parks and streets. Historically the Council received significant funding from TfL to support the highways of the borough. The pandemic hit TfL's finances hard, and it has not been able to provide the same level of support to boroughs. The Council's proposals allow for funding of the type of work previously funded by TfL in 2022/23 to be met by Council borrowing. In future years it has been assumed that external grant will be available to fund these works, in line with announcements made at SR21.
- 8.1.4 The Council has an accommodation strategy that is responding to the new ways of working and service demands. The strategy assumes that it will consolidate the Council's offices into the Civic Centre. This would be achieved through the necessary refurbishment of the Civic Centre and the creation of a new annex. There is also further investment in property to enable the Council to maximise the value of its property on Station Road. It is anticipated that investment in the annex will generate savings that will pay for the investment.
- 8.1.5 The Council is also investing in its digital offering to ensure that our customers receive the best possible service.
- 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.

Background

- 8.1.7 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.
- 8.1.8 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 locality provision); and deliver fit for purpose schools. The Council continues to plan for its use of capital expenditure to positively impact people's lives.
- 8.1.9 The key objectives for the Council's capital programme are to deliver the outcomes described in the borough plan and assist the Council in meeting the financial challenges that it continues to face. However, affordability is also a key consideration, as investment in capital schemes which requires the Council to borrow to fund the schemes impacts on Council revenue budgets.

8.2 Capital 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, and 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 2022/23-2026/27 which shows the continued and growing capital investment that is being undertaken to support the achievement of the borough plan objectives and to improve people's lives.

Table 8.1: Capital expenditure plans overview 2022/23 - 2026/27

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	Total (£'000)
Previously Agreed							
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
Proposed							
General Fund Account (GF)		259,670	245,718	164,279	101,153	41,119	811,939
Housing Revenue Account (HRA)		276,900	453,834	323,065	228,633	227,953	1,510,385
Total =		536,570	699,552	487,344	329,786	269,072	2,322,324

- 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.
- 8.2.5 About a third of the capital programme is composed of schemes that are wholly funded by Council borrowing and that are not 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 Whilst the overall General Fund capital programme is large, it is mostly composed of small schemes. However, there are a number of schemes which are multi year and of a significant value. The expenditure in year for these schemes incurs an interest charge. In future for such schemes, the interest cost during the construction period will be capitalised, along with the other costs of bringing the asset into operation. The Council's existing policy for Minimum Revenue Provisions (MRP) already works on this basis. This would ensure that current taxpayers would not be burdened with costs incurred on such schemes where the benefits are in future years.
- 8.2.7 The Children's Services capital programme is largely reliant on Council borrowing. For the period 2022/23-2026/27 the Council is planning to spend £92.9m on schools, of which approximately £28.9m is funded through government grant leaving a borrowing requirement of £64m. The majority of the cost of the increased investment in schools falls on the Council's revenue account through increased borrowing costs.

- 8.2.8 The Adults Services capital programme is £72.8m, the majority of the programme is self-financed at £56m. In addition there is £13.9m grant funded expenditure.
- 8.2.9 Within the Place priority the proposed capital programme for the period 2022/23-2026/27 is broadly estimated at £103.6m of which approximately £30.7m is externally funded.
- 8.2.10 The Economy capital programme has an estimated value of £367m, of which £133.5m is funded externally and £184.2m is self-financing. Council borrowing in this part of the capital programme is proportionately lower than in others at £49.3m. The majority of this borrowing is to match fund to the Tottenham Hale Regeneration project, the Tottenham High Road Strategy and the Wood Green Regeneration Strategy.
- 8.2.11 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.
- 8.2.12 The General Fund Housing programme has no schemes that rely on borrowing as they are all self-financing.
- 8.2.13 The Your Council capital programme is estimated at £92.1m with the majority, £59.7m funded through borrowing. £43.3m of this borrowing relates to the asset management function of the Council and the Civic Centre refurbishment, with investment of £15.4m in ICT to improve services.
- 8.2.14 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.
- 8.2.15 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 borrowing 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 case that supports the investment and identifies reductions in expenditure.
- 8.2.16 Services 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.

8.2.17 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

	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	Total (£'000)
People - Children's	25,421	26,694	24,671	14,301	1,831	92,916
People - Adults	17,956	40,474	8,515	3,471	2,377	72,794
Place	25,594	22,445	20,688	18,988	15,861	103,576
Economy	157,969	132,824	87,506	52,643	17,600	448,542
Housing (GF)	1,000	1,000	0	0	0	2,000
Your Council	31,731	22,281	22,900	11,750	3,450	92,112
Total General Fund (GF)	259,670	245,718	164,279	101,153	41,119	811,939
Housing (HRA)	276,900	453,834	323,065	228,633	227,953	1,510,385
Overall Total	536,570	699,552	487,344	329,786	269,072	2,322,324

8.2.18 Appendix 4 includes the previously agreed schemes plus any changes since the last budget (up to and including the December 2021 Cabinet), plus the new schemes proposed. It also indicates how each scheme is financed.

8.2.19 Appendix 5 provides details of the new schemes proposed. The following paragraphs provide a high-level description of each priority's new capital proposals.

8.2.20 Children's Services

There is one new scheme proposed for Children's Services and that is for the creation of an in-borough residential centre. This would provide high quality provision at a lower cost. The site or sites for the provision have not been identified at this time. The scheme is included in the capital programme as self-financing.

8.2.21 Adult Services

The continued focus of the Adults Services capital programme is to enhance the lives of disabled and older adults. The 2021/22 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.

8.2.22 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 parks to provide greener and more comfortable spaces. The programme also allows for the continuation of investment in street lighting and borough roads. The funding for the highways scheme and the accident reduction scheme are included in the programme as being funded by Haringey borrowing in 2022/23. In future years it has been assumed that there will be external funding provided to undertake the works, in line with announcements from SR21 about national funding for works for highways, potholes, resurfacing and bridges.

8.2.23 Economy

The new proposal, in relation to the HALS service and builds on this existing programme of funding of the Good Economy Recovery Plan. . In addition, the Economy capital programme now reflects the GLA grants for the HRW scheme.

8.2.24 Your Council

The initial proposals contain significant investment in Council assets and services. There is a new proposal for an annex to the Civic Centre which will consolidate most all Council offices onto one site and at the same time allow for new uses for the buildings on Station Road. The proposals also have significant investment in IT systems and infrastructure to ensure that the customer experience is as good as it can be.

8.2.25 Financing

All capital expenditure must be financed from either an external source (government grant or other contributions), the Council's own resources (revenue, reserves or capital receipts) or 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 wherever possible. The draft capital programme for 2022/23-2026/27 is analysed in the table below and shows that the majority of schemes being proposed (68%) 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)		
People - Children's	57,808	6,200	28,908	92,916
People - Adults	2,885	56,020	13,889	72,794
Place	64,473	8,413	30,690	103,576
Economy	49,318	184,237	214,987	448,542
Housing - GF	0	2,000	0	2,000
Your Council	59,662	32,450	0	92,112
Total	234,146	289,319	288,474	811,939

8.2.26 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 (council borrowing). 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.

8.2.27 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

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)
MRP	8,734	13,368	19,380	23,383	26,528	28,848

8.2.28 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 was addressed in detail in the Treasury Management Strategy considered by Council in February 2021.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)
CFR	1,365,827	1,375,493	1,822,026	2,164,106	2,308,905	2,353,152

8.3 Asset Management

- 8.3.1 The Asset Management Plan is to be the subject of a separate report at a later Cabinet meeting.

Asset Disposals

- 8.3.2 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. This is known as the flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2025.
- 8.3.3 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 2025) 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

- 8.3.4 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.
- 8.3.5 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

- 8.3.6 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.
- 8.3.7 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

	31/3/21 Actual (£'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)	31/3/27 Budget (£'000)
Borrowing Debt	555,915	811,902	1,204,505	1,637,025	1,977,612	2,120,215	2,161,266
PFI & Lease Debt	27,303	28,164	19,471	15,297	10,938	8,421	7,921
Total Debt	583,218	840,066	1,223,977	1,652,322	1,988,550	2,128,636	2,169,187
Capital Financing Requirement	837,822	1,365,827	1,375,493	1,822,026	2,164,106	2,308,905	2,353,152

8.3.8 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

8.3.9 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

	2021/22 limit (£'000)	2022/23 limit (£'000)	2023/24 limit (£'000)	2024/25 limit (£'000)	2025/26 limit (£'000)	2026/27 limit (£'000)
Authorised limit – borrowing	1,272,356	1,286,022	1,736,729	2,083,167	2,230,484	2,275,231
Authorised limit – PFI & leases	30,981	25,702	20,192	14,438	11,116	10,456
Authorised limit – total external debt	1,303,337	1,311,724	1,756,921	2,097,606	2,241,600	2,285,687
Operational boundary – borrowing	1,222,356	1,236,022	1,686,729	2,033,167	2,180,484	2,225,231
Operational boundary – PFI & leases	28,164	23,366	18,356	13,126	10,106	9,506
Operational boundary – total external debt	1,250,521	1,259,387	1,705,086	2,046,293	2,190,589	2,234,737

8.3.10 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: Estimated Capital Financing Costs

	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000	£000	£000	£000	£000	£000
MRP - pre 2008 expenditure	0	2,283	5,019	5,019	5,019	5,019
MRP - post 2008 expenditure	8,734	11,085	14,361	18,364	21,509	23,829
Total MRP	8,734	13,368	19,380	23,383	26,528	28,848
Interest Costs (General Fund)	8,635	11,274	14,800	16,961	18,194	18,557
Total Gross Capital Financing Costs (GF)	17,369	24,642	34,181	40,343	44,722	47,405
Offsetting Savings for self financing schemes	-5,171	-8,835	-12,073	-14,919	-18,548	-18,031
Total Net Capital Financing Costs (GF)	12,198	15,807	22,108	25,424	26,174	29,374
Interest Costs (HRA)	16,242	14,861	21,022	28,186	32,545	34,322

Table 8.9: Proportion of financing costs to net revenue stream

	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
	£000	£000	£000	£000	£000	£000
Financing Costs General Fund	12,198	15,807	22,108	25,424	26,174	29,374
Proportion of net revenue stream	4.86%	6.01%	8.36%	9.26%	9.33%	10.24%
Financing Costs HRA	16,242	14,861	21,022	28,186	32,545	34,322
Proportion of net revenue stream	15.10%	13.12%	17.54%	21.77%	23.57%	23.93%

8.3.11 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

8.3.12 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.

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 Financial Plan Overview

- 9.1 This revised financial plan encapsulates the council's HRA 5-year Revenue & Capital Budget/MTFS. It is supported by 30-Year Financial model developed this year, which enables the Council to take a longer-term view of the HRA. This is particularly important in the context of sustained existing stock maintenance & new homes development and allows us to plan for the future of our housing stock more accurately and sustainably.
- 9.2 The plan enables the modelling of the revenue and capital implications of all planned work in the HRA to deliver Borough Plan priorities and provided the basis for understanding the affordability of current capital programme delivery plans and assessing options to ensure a viable HRA over a longer period.
- 9.3 Assumed rents on new builds and acquisition reflect recent valuation exercise across wards where development is taking place. Forecasts of the Public Works Loan Board (PWLB) borrowing rate and updated inflation (CPI – Consumer Price Index) which informs the existing homes rent charges and affects cost, have been incorporated into the HRA financial plan.
- 9.4 This Financial Plan supports the greater proportion of the new homes being developed for social rents, which has increased from 75% to 82%. This is made possible by increased grant in the Affordable Homes Programme (AHP) 2021-26, forecast reductions in borrowing costs, and Council rent increase.
- 9.5 The level of spend on major works (existing homes) and carbon reduction programmes highlights the Councils commitment to improving the quality of life of residents, ensuring residents live healthier lifestyle and combating climate change.
- 9.6 The comprehensive financial plan addresses the affordability of the entire HRA capital programmes, which includes the new homes build & acquisition programmes, existing stock maintenance, carbon reduction programmes for both existing stocks and new stocks, fire safety programmes and the BWF estate renewal programme.
- 9.7 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 are also reflected in the HRA financial plan.

- 9.8 Built into this revised financial plan is an increase in the level of HRA working balance to £20m this year, in recognition of the potential financial risk associated with such an extensive expansion programme in the HRA. There is a provision for one-off costs of change management of insourcing of housing functions, as currently managed by Homes for Haringey (HfH).

The main sources of income to the HRA: Rents and Service Charges.

Housing rents

- 9.9 The Council sets the rents in Council-owned properties every year, in accordance with the Government's social housing rent policy. The Government, through the Regulator of Social Housing, prescribes the formula for calculating social housing rents. These rents are also called formula rents and exclude service charges.
- 9.10 The national formula for setting social rent is intended to enable Local Authorities (LAs) to set rents at a level that allows them to meet their obligations to their tenants, maintain their stock (to at least Decent Homes Standard) and continue to operate a financially viable HRA, including meeting their borrowing commitments.
- 9.11 The formula is complex. It starts from a national average rent figure and then adjusts to take account of relative average local earnings, relative local property values, and the number of bedrooms, to calculate the formula rent for each property in a locality.
- 9.12 Formula rents are subject to a national social rent cap. The rent cap is the maximum level to which rents can be increased to in any one financial year, based on the size of the property. Where the formula rent would be higher than the rent cap for a particular property, the national social rent cap must be used instead. The national rent caps for 2022/23 are as follows:

Number of bedrooms	2021/22 Rent cap	2022/23 Rent cap	Percentage Increase
1 and bedsits	£148.88	£155.73	4.60%
2	£157.62	£164.87	4.60%
3	£166.38	£174.03	4.60%
4	£175.12	£183.18	4.60%
5	£183.89	£192.35	4.60%
6 or more	£192.64	£201.50	4.60%

Rents in Existing Council Homes - General Needs & Sheltered/Supported Housing

- 9.13 Individual Council rents in Haringey are below the formula rents in many properties. This is because historically Haringey rents were set lower than the formula rent. In contrast, many social landlords, particularly Housing Associations, have historic rents that were set higher than formula rent. To create a level playing field, the Government introduced rent restructuring in 2003 to converge actual rents towards the formula rent. The Government abandoned rent restructuring in 2015/16, when it imposed a 1% rent reduction for four years, under the Welfare Reform and Work Act 2016. The Council complied with the legislation and the 1% rent reduction ended in 2019/20.
- 9.14 The Rent Standard permits Local Authorities in England to increase tenants' rents every year by no more than the CPI at September of the previous year plus 1%, at least until 2024/25. Therefore since 2020/21, existing Council tenants' rents could only increase by no more than CPI inflation plus 1%. However, the Government allows Local Authorities to charge formula rents on homes when they are re-let following a vacancy.
- 9.15 The current rent for 2021/22, approved by Cabinet on 9 February 2021, was set at the 2020/21 rent uplifted by 1.5%. The rent increase was due to the CPI (inflation) rate in September 2020 of 0.5% plus 1% allowed by the Government.
- 9.16 The Council has the ability under the social housing rent standards to increase rent by no more than September CPI plus 1%. Given that the CPI at September 2021 is 3.1%, it is recommended that rents in council-owned housing stock would increase by 4.1% (CPI plus 1%) from 4 April 2022 (the first Monday in April). As such the average weekly rent would increase by £4.35 from £106.14 to £110.49.
- 9.17 Applying this rent increase of 4.1% would generate £3.4m of additional income to the Housing Revenue Account (HRA). This has been reflected in the HRA financial plan. There are also assumed annual rent increases of CPI of 2% plus 1% forecasted for the rest of the 5-year MTFS period, then CPI of 2% only from April 2029 for the remaining life of the HRA financial plan.
- 9.18 Proposed rents for sheltered/supported housing tenants for 2022/23 have also been calculated on the basis that they increase by 4.1% from 4 April 2022.
- 9.19 There is a range of rents across different sizes of properties. Table 1 sets out the proposed average weekly rents and the average rent increases for 2022/23 by property size.

Table 9.1

Number of Bedrooms	Number of Properties	Current average weekly rent 2021/22	Proposed average weekly rent 2022/23	Proposed average rent increase	Proposed percentage increase
Bedsit	136	£86.11	£89.64	£3.53	4.1%
1	5,367	£91.20	£94.94	£3.74	4.1%
2	5,139	£106.29	£110.65	£4.36	4.1%
3	3,725	£121.71	£126.70	£4.99	4.1%
4	603	£138.57	£144.25	£5.68	4.1%
5	109	£162.10	£168.75	£6.65	4.1%
6	15	£168.45	£175.36	£6.91	4.1%
7	2	£159.39	£165.93	£6.54	4.1%
8	1	£180.44	£187.84	£7.40	4.1%
All dwellings	15,097	£106.14	£110.49	£4.35	4.1%

Rents in New Council Homes – General Needs and Sheltered/Supported Housing

- 9.20 The Council has an ambitious Council housing delivery programme, and over the next few years, a large number of newly built and newly acquired council homes will be delivered and ready for new tenants.
- 9.21 Consistent with its practice in setting rents on the relet of existing properties, the Council lets all new homes at formula rent (subject to national rent cap). The HRA financial plan includes additional rental income at the average formula rent for the new homes in the housing delivery programme. The table below shows the forecast average formula rents for new builds, which are below the national social rent cap. The actual rent will be higher than the average for some properties and lower for others, depending on the property value.

Table 9.2

Number of bedrooms	Average weekly formula rent 2022/23
1	£111.68
2	£146.61
3	£165.40
4	£179.60

Rents in Temporary Accommodation

- 9.22 All properties acquired since 1 April 2019 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.

- 9.23 The HRA financial plan includes these rental incomes from 2021/22 to 2028/29. From year eight, it recognises incomes from these properties at formula rent, with the normal annual rent increases of CPI, as these properties are assumed will revert to the HRA after 7 years of lease. It should be noted that there are other potential outcomes for these properties, including an extension of the seven-year period, subject to approval being sought and obtained from the Secretary of State.
- 9.24 From 4th April 2022, all other Council-owned properties used as temporary accommodation but not leased to HCBS will also have their rents increased by 4.1% from their current levels.

Tenants' Service Charges

- 9.25 In addition to rents, tenants pay charges for services they receive which are not covered by the rent. The Council sets tenants' service charges at the start of each financial year to match budgeted expenditure.
- 9.26 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.
- 9.27 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
- 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

The applicable charges for 2022/23 are as stated in Table 9.3 below:

Tenants' Service Charges with effect from 4 April 2022 (2022/23)

Tenants' service charges	Current Weekly Charge 2021/22	Proposed Weekly Charge 2022/23	Increase/ (decrease)		Draft Budget 2022/23
Concierge	£17.72	£18.44	£0.72	4.1%	£1,812,000
Grounds Maintenance	£3.13	£3.26	£0.13	4.2%	£1,518,000
Caretaking	£4.54	£4.72	£0.18	4.0%	£1,783,000
Street Sweeping	£5.23	£5.44	£0.21	4.0%	£2,432,000
Estates Road maintenance	£0.60	£0.62	£0.02	3.3%	£286,000
Communal Lighting (Light & Power)	£2.24	£2.35	£0.11	4.9%	£1,065,000
Gas (Elderly Person)	£10.12	£10.52	£0.40	4.0%	£205,000
Gas (Not Elderly Person)	£9.68	£10.07	£0.39	4.0%	£56,000
GLC Heating	£11.08	£11.52	£0.44	4.0%	£36,000
District Heating 6	£9.91	£10.31	£0.40	4.0%	£1,000
District Heating 8	£10.17	£10.58	£0.41	4.0%	£326,000
Oil/Electricity (Elderly Person)	£7.93	£8.25	£0.32	4.0%	£17,000
TV aerial maintenance	£0.33	£0.34	£0.01	4.1%	£153,000
Door entry system maintenance	£0.90	£0.94	£0.04	4.1%	£333,000
Sheltered housing cleaning service	£1.87	£1.94	£0.07	3.7%	£92,000
Good neighbour cleaning service	£1.32	£1.37	£0.05	3.8%	£30,000
Window cleaning	£0.56	£0.57	£0.01	1.8%	£39,000
Converted properties cleaning	£1.79	£1.86	£0.07	3.9%	£71,000
Total Property Charge Income					£10,255,000
Sheltered Housing Charge	£28.31	£29.44	£1.13	4.0%	£1,201,800
Good Neighbour Charge	£12.64	£13.15	£0.51	4.0%	£314,100
Additional Good Neighbour Charge	£2.76	£2.87	£0.11	4.0%	£6,200
Total Support Charge Income					£1,522,100
Proposed Tenants' Service Charge Income Budget - 2022/23					£11,777,100

Rent consultation

- 9.28 There is no requirement for tenant consultation because Haringey Council's rents are set in accordance with Government rent standard and no new charges are being introduced for the tenants' service charges. However, tenants must be given at least four weeks' notice before the new rents for 2022/23 start on 4 April 2022.
- 9.29 This will follow the consideration by Cabinet in February 2022 and will include:
- Council housing rent charges for 2022/23
 - Proposed weekly tenants service charges for 2022/23
 - HRA hostel rent charges for 2022/23

HRA Expenditure

- 9.30 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 £44.9m for 2022/23. This is mainly made up of £20.8m for repairs and £22.2m for housing management, including staff cost increase and additional national insurance increase. Cabinet made a decision in December 2021 to bring HfH back in-house. It is expected that this will result in efficiencies and financial savings, which will be quantified and reported in the future and will be important in order to stay within the level of management budget included within this MTFS.
- 9.31 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 slightly lower level than that of 2021/22, made possible by a revised, more detailed HRA model.
- 9.32 The proposed HRA capital programme supports the delivery of over £2bn investment in our existing stock over the next 30 years, and now supports the delivery of approximately 3,898 homes, of which about 3,221 are for social rent. This is 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.
- 9.33 There are of course 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. Importantly, HRA budget and forecasts continue to assume a revenue contribution to capital outlay (RCCO) minimum of £8m (our internally set minimum level). This means that the operating surplus after expenditure should not be below £8m. It also includes an assumed increase in working balance to £20m, this being subject to the 2020/21 outturn and to be addressed in the outturn report.

- 9.34 In addition to the setting of a minimum operating surplus, a further metric to check the HRA viability has been introduced to ensure that there is adequate net income for repayment of interest, the interest cover ratio (ICR). This metric is used in Local Authorities and Housing Associations' development programmes and the plan was built to ensure that interest cover in any given year remains above 1.25. Over the MTFS period, the plan's ICR ranges from 1.27 to 1.54.

HRA 5 Years MTFS (2022/23-2026/27)

- 9.35 The HRA budget for 2022/23 is a balanced budget maintaining a reasonable revenue contribution to capital (RCCO) of £8.3m compared to £8.8m in last year's budget. This report sets out the proposed HRA 5 years Budget/MTFS in the table 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. It also takes into consideration the September CPI and its impact in next year's rent charges.

Table 9.4 - Draft HRA 5-Year Revenue Budget (2022/23 – 2026/27)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income & Expenditure	2022-23	2023-24	2024-25	2025-26	2026-27	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Dwellings Rent Income	(89,825)	(95,289)	(102,196)	(110,957)	(118,728)	(516,995)
Void Loss	898	953	1,022	1,110	1,187	5,170
Hostel Rent Income	(2,342)	(2,402)	(2,464)	(2,527)	(2,593)	(12,328)
Service Charge Income	(11,777)	(12,262)	(12,900)	(13,734)	(14,449)	(65,122)
Leaseholder Income	(7,850)	(7,882)	(8,107)	(8,337)	(8,574)	(40,750)
Other Income (Garages /Aerials/Interest)	(2,242)	(2,282)	(2,323)	(2,366)	(2,409)	(11,622)
Total Income	(113,138)	(119,164)	(126,968)	(136,811)	(145,566)	(641,647)
Expenditure						
Repairs	20,838	21,255	20,862	22,210	23,367	108,532
Housing Management	22,176	22,273	22,219	23,164	24,000	113,832
Housing Demand	1,917	1,955	1,994	2,034	2,075	9,975
Management Fee (HfH)	44,931	45,483	45,075	47,408	49,442	232,339
Estates Costs (Managed)	11,167	11,203	11,240	11,465	12,206	57,281
Provision for Bad Debts (Tenants)	2,817	2,958	3,138	3,365	3,568	15,846
Provision for Bad Debts (Leaseholders)	188	189	195	200	206	978
Total Managed Expenditure	14,172	14,350	14,573	15,030	15,980	74,105
Other Costs (GF Services)	5,379	5,487	5,597	5,708	5,823	27,994
Other Costs (Property/Insurance)	4,552	3,011	2,561	2,612	2,664	15,400
Capital Financing Costs	14,861	21,022	28,186	32,545	34,322	130,936
Contribution to Major Repairs (Depreciation)	20,919	21,773	22,907	24,395	25,663	115,657
Revenue Contributions to Capital	8,324	8,038	8,069	9,113	11,672	45,216
Total Expenditure	113,138	119,164	126,968	136,811	145,566	641,647
HRA (Surplus) / Deficit	0	0	0	0	0	0

HRA 5 Years Capital Programme (2022/23 – 2026/27)

- 9.36 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.
- 9.37 The HRA capital programme is geared towards maximising the use of other available resources and use of borrowing as last resort. The capital programme funding assumes a mix of grant funding, S106 monies, revenue contribution and prudential borrowing. The total capital investment in 2022/23 is £277m, fully funded from revenue contribution, grants, right to buy (RTB) retained receipt, major repairs reserve and borrowing.

Table 9.5 - Draft HRA 5 Year Capital Programme (2022/2 – 2026/27)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment & Financing	2022-23	2023-24	2024-25	2025-26	2026-27	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Investment						
Major Works (Haringey Standard)	44,967	57,049	60,024	61,425	62,743	286,208
Carbon Reduction Works (Affordable Energy)	7,407	7,283	6,367	6,495	6,624	34,176
Fire Safety Works	6,120	5,470	7,573	7,577	7,729	34,469
Broadwater Farm Works	7,854	21,210	16,115	16,438	16,766	78,383
Total Existing Stock Investment	66,348	91,012	90,079	91,935	93,862	433,236
New Homes Build Programme	138,723	286,019	154,399	58,107	67,542	704,790
New Homes Acquisitions	37,613	42,245	43,683	42,640	29,519	195,700
TA Acquisitions	34,216	34,558	34,904	35,951	37,030	176,659
Total Capital Investment	276,900	453,834	323,065	228,633	227,953	1,510,385
Capital Investment Financing						
Grants (GLA)	59,999	67,485	35,157	60,960	27,430	251,031
Major Repairs Reserve	20,919	21,773	22,907	24,395	25,663	115,657
Revenue Contributions	8,324	8,038	8,069	9,113	11,672	45,216
RTB Capital Receipts	11,231	11,344	11,458	11,782	12,035	57,850
Leaseholder Contributions to Major Works	6,502	9,451	10,090	8,169	7,164	41,376
S.106 Contributions	1,000	152	0	0	0	1,152
Market Sales Receipts	287	172	5,888	44,800	98,752	149,899
Borrowing	168,638	335,419	229,496	69,414	45,237	848,204
Total Capital Financing	276,900	453,834	323,065	228,633	227,953	1,510,385

In comparison, the 5-year HRA capital programme in last year's MTFS was £1.56bn.

The HRA capital programme comprises:

Major Works – Haringey Standard

- 9.38** The major works investment standard has been designed to ensure that the Council maintains its statutory and legal duties and keeps homes safe and warm. It comprises internal, external and works to communal areas, including all items affecting decency.

Carbon Reduction Works

- 9.39** The budget provision would support extensive measures including internal and external solid wall insulation, loft and cavity wall insulation, and renewables e.g., installation of solar panels.

Fire Safety Works

- 9.40** The proposed £35m is to ensure that all housing stock continues to meet changing statutory requirements. The programme includes front entrance door replacements, window infill panel replacements, Automatic Fire Detection (AFD) to street properties, Automatic Fire detection and compartmentation works to timber clad buildings, Intrusive Fire Risk Assessments (FRA) and follow up works.

Broadwater Farm Works

- 9.41** This allocation of £78m is to address major safety and refurbishment works on the estate, including the demolition of three blocks, strengthening and refurbishment works of remaining blocks, a new Decentralised Energy System, upgrade to cold water supply, and redesign works for the entire estate. The cost of replacement homes in Northolt, Tangmere and Stapleford North (Broadwater Farm) will be contained within the New Homes Build Budget.

New Homes Build and New Homes Acquisition

- 9.42** This Financial plan continues to provide to meet the Council's commitment to the delivery of high-quality Council homes at social rents. This is an integral part of the Council's core HRA business, with a delivery programme that is viable in the long term. The total estimated cost of new build homes and acquisition in the financial plan is £900m over the period of the MTFS.

Temporary Accommodation (TA) - Existing Homes Acquisitions

- 9.43** The Council's TA acquisition programme is based on the purchase of homes and subsequent leasing to the Haringey Community Benefit Society ('the CBS') to provide housing to households in housing need nominated to it by Haringey Council. This scheme will generate adequate rental income to cover the cost of capital and associated cost. There is also a General Fund (GF) saving generated by the provision of homes to homeless households in the HRA via reduction in the use of privately-owned temporary accommodation in GF. This financial plan has allocated £177m over the MTFS period for this scheme.

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 2021-22 set out the forecast year end position. This highlighted the budget pressures in the High Needs Block which is estimated to add an additional £6.4m to the existing deficit of £17.0m.

2022/23 Budget Allocation

- 10.3 The Final DSG allocation for Haringey's 2022-23 DSG Budget has seen increases in the Schools and High Needs Block and a reduction in the Central block allocation when comparing to 2021-22. Table A below sets out Haringey's DSG allocations for 2021-22 and the indicative National Funding Formula for 2022-23.

Table A: Dedicated Schools Grant Year on Year Allocations (including Academies)

Dedicated Schools Grant	2021-22 Funding allocation £'000	2022-23 Indicative NFF £'000	Increase/ (Decrease) £'000
Schools Block	211,745	210,210	-1,535
Central School Services Block	2,912	2,785	-127
Early Years Block	21,036	19,217	-1,819
High Needs Block	43,406	50,070	6,664
Total DSG	279,099	282,282	3,183

- 10.4 The Haringey Schools Block funding increased by 1.9% funding per pupil. However, falling rolls have impacted on overall funding leading to pressures in some individual schools.
- 10.5 The Central School Services Block has a 2.5% reduction in the per pupil rate and an overall reduction of £127k.
- 10.6 The Haringey High Needs Block allocation has increased by £6.7m before academy deductions. This equates to an increase of 15% from last year and reflects lagged funding for Special School Places and increased SEN pupil numbers. Children with Education and Healthcare Plans have been increasing at an average of 11% per annum. An ongoing service review is still to determine the final allocations.
- 10.7 The Early Years' Block has also seen a decrease of £1.8m to £19.2m in the 2022/23 allocations. Actual allocations to Early Years' settings are based on

actual attendance which has been significantly impacted due to COVID-19. The Children & Young people service is continuing to work with Early Years providers and the DfE to minimise 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. The Council considers that the responses to the consultation which were supportive of increased investment in adults and children's social care, are aligned to the Council's overall approach, and in particular the additional £6m that has been agreed to be invested in these areas since the draft budget was published.

Overview and Scrutiny

- 11.4 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 2021 and early January 2022 and have scrutinised all the proposals presented in the 7th December 2021 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 20th January 2022 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 2022/23 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 budget growth proposals for 2022/23 will allow us to alleviate pressures in our main demand led services (Adults, Children's, and temporary accommodation) while bolstering budgets to support organisational change. The new growth proposals will ensure we can meet the needs of our most

vulnerable residents, including women and girls impacted by domestic and other forms of violence, tackle the climate emergency, expand our coproduction capabilities, and support long-term development of Haringey's public realm.

- 11.9 While no new budget reduction proposals are proposed for 2022/23 in line with the agreed financial planning strategy, further detail on the Council's future funding challenge is available on the Haringey website.
- 11.10 The council is proposing to increase council tax by 1.99% (the threshold set by government is 2%) and a further Adults Social Care Precept of 1% (the maximum allowed by Government), which give a total Haringey Council Tax charge increase of 2.99% for 2022/23.
- 11.11 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. The maximum level of Council Tax Reduction continues to be 100% for pensioners and working age claimants in receipt of disability related benefits.
- 11.12 The report attached as Appendix 10 considers the cumulative impact of those proposals and the ways any 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 (Director of Finance, Procurement, Head of Legal and Governance, Equalities)

Finance

- 12.1 Ensuring the robustness of the Council's 2022/23 budget and its MTFS 2022/23 – 2026/27 is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable. As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are essentially contained throughout the report.
- 12.2 The draft General Fund Budget 2022/23 requires a planned draw down from reserves of £4.5m in order to be balanced however, this is in line with the stated financial planning strategy adopted this year. This financial strategy will best ensure that future resource plans are driven by the refreshed Borough Plan priorities and align with clearer knowledge of the Council's future funding.
- 12.3 The Council's management of its finances generally and as set out in this budget, is aligned to the principles set out in the CIPFA Financial Management Code.
- 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 March.

Procurement

- 12.5 Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions.

Head of Legal & Governance

- 12.6 The Head of Legal & Governance has been consulted in the preparation of this report and makes the following comments.
- 12.7 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the 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 budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.
- 12.8 The Council must ensure that it has due regard to its public Sector Equalities Duty under the Equality Act 2010 in considering whether to adopt the Recommendations set out in this report.
- 12.9 Cabinet must also have due regard to the outcome of the consultation exercise which took place on the budget proposals, and the views of Overview and Scrutiny Committee as part of its decision making process.
- 12.10 In noting at paragraph 7.12.2 of the report that no new budget reduction proposals are proposed for 2022/23, were that to change then 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 on any proposals developed. In addition, the process set out in the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution will need to be followed in order to make In-year changes to the budget framework.
- 12.11 In view of the conclusion reached by the Director of Finance at paragraph 12.2 above on the ability to set a balanced budget for 2022/23, coupled with the assurance provided at paragraph 7.13.2 above, and the Equalities comments below, there is no reason why Cabinet cannot adopt the Recommendations set out in this report.

Equality

- 12.1 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.
- 12.2 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 apply to the first part of the duty.
- 12.3 This report sets out details of the proposed Budget for 2022/23 and MTFS to 2026/27, including budget adjustments and capital proposals.

- 12.4 The decision is recommended in order to comply with the statutory requirement to set a balanced budget for 2022/23 and to ensure the Council's finances on a medium-term basis are secured through the four-year Medium-Term Financial Strategy.
- 12.5 The Council's priorities are underpinned by a focus on tackling inequality with the principles embedded within the Borough Plan equalities objectives. COVID-19 has served to widen existing inequalities with adverse impacts experienced by protected groups across a number of health and socioeconomic outcomes. The Council is committed to targeting its interventions to reduce inequality despite the financial constraints detailed in this report. This is evident through ongoing investment in policies that seek to improve outcomes for individuals with protected characteristics and / or vulnerable residents, such as the proposed investments in Children's, Adults and Temporary Accommodation and the Violence against Women and Girls agenda.
- 12.6 Appendix 10 details the Equality Impact Assessments (EqIA) undertaken.

13. Use of Appendices

Appendix 1	Summary of Draft Revenue 2022/23 Budget and Medium Term Financial Plan 2022-2027
Appendix 2	Summary of new Revenue budget growth proposals
Appendix 3	Summary of total agreed Revenue budget reduction proposals 2022-2027
Appendix 4	Draft General Fund Capital Programme 2022/23 – 2026/27
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 2022/23
Appendix 8	Budget Consultation Summary of Responses
Appendix 9	Overview and Scrutiny Committee recommendations and Cabinet responses
Appendix 10	Equalities Impact Assessment
Appendix 11	Council Tax base Report 2022/23

14. Local Government (Access to Information) Act 1985

2021/22 Qtr 1 and Qtr 2 Budget Reports
 2021/22 Budget & MTFS 2021-2026
 2022/23 Draft Budget & MTFS 2022-2027

Appendix 1 - Summary of General Fund Revenue 2022/23 Budget and Medium Term Financial Plan 2022-2027

	2021/22 Budget	Movement	2022/23 Draft Budget	Movement	2023/24 Projected	Movement	2024/25 Projected	Movement	2025/26 Projected	Movement	2026/27 Projected
Priority Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing	16,102	837	16,939	(51)	16,888	(12)	16,876	(1)	16,875	0	16,875
People - Children	58,289	2,880	61,169	250	61,419	690	62,109	620	62,729	20	62,749
People - Adults	83,208	967	84,175	1,211	85,386	3,102	88,488	2,789	91,277	2,821	94,098
Place	23,999	(4,357)	19,642	2,727	22,369	(254)	22,115	(170)	21,945	0	21,945
Economy	6,166	988	7,154	(300)	6,854	(425)	6,429	(70)	6,359	(30)	6,329
Your Council	32,995	3,338	36,333	(881)	35,452	0	35,452	0	35,452	550	36,002
Non-Service Revenue	30,006	12,069	42,075	8,719	50,794	6,822	57,616	7,556	65,172	7,500	72,672
Further Savings to be Identified	0	(0)	(0)	(4,820)	(4,820)	(7,398)	(12,218)	(4,648)	(16,867)	(4,624)	(21,491)
Council Cash Limit	250,765	16,722	267,487	6,855	274,341	2,525	276,866	6,076	282,942	6,237	289,179
Planned Contributions form Reserves	(1,688)	(2,876)	(4,564)	(936)	(5,500)	5,500	0	0	0	0	0
Total General Fund Budget	249,077	13,846	262,923	5,918	268,841	8,025	276,866	6,076	282,942	6,237	289,179
Funding											
Council Tax	(110,302)	(7,582)	(117,884)	(5,668)	(123,552)	(5,636)	(129,187)	(3,887)	(133,074)	(4,005)	(137,079)
Council Tax Surplus	(1,950)	25	(1,925)	0	(1,925)	(250)	(2,175)	0	(2,175)	0	(2,175)
RSG	(22,115)	(682)	(22,797)	(250)	(23,047)	(215)	(23,262)	(460)	(23,722)	(469)	(24,191)
Top up Business Rates	(58,412)	(2,358)	(60,770)	(2,000)	(62,770)	(3,364)	(66,134)	(1,283)	(67,416)	(1,308)	(68,724)
Retained Business Rates	(22,137)	919	(21,218)	(0)	(21,218)	(1,073)	(22,291)	(446)	(22,737)	(455)	(23,192)
NNDR Growth	0	0	0	0	0	0	0	0	0	0	0
NNDR (Surplus)/Deficit	225	0	225	0	225	(225)	0	0	0	0	0
Total (Main Funding)	(214,691)	(9,679)	(224,370)	(7,918)	(232,288)	(10,762)	(243,049)	(6,076)	(249,125)	(6,237)	(255,362)
New Homes Bonus	(1,208)	0	(1,208)	(0)	(1,208)	0	(1,208)	0	(1,208)	0	(1,208)
Public Health	(20,353)	(0)	(20,353)	0	(20,353)	0	(20,353)	0	(20,353)	0	(20,353)
Other core grants	(12,825)	(4,168)	(16,993)	2,225	(14,768)	2,512	(12,256)	0	(12,256)	0	(12,256)
TOTAL (Core/Other External Grants)	(34,386)	(4,168)	(38,554)	2,225	(36,329)	2,512	(33,817)	-	(33,817)	-	(33,817)

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APPENDIX 2 - New Revenue Growth Proposals

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<u>Adults social care - social care and commissioning/brokerage capacity</u> COVID has significantly increased the complexity of client cases and consequently the workload of the service. As a consequence, both reviewing and prescribing care packages has become more difficult especially with new profile of clients. Increasing the capacity of the service will also act as an enabler for the delivery of MTFS savings.	Adults and Health	346	(42)				304
<u>Adults Social Care - Care Purchasing budgets demographic, inflation and Covid legacy growth</u> Since last years MTFS, care purchasing growth modelling has been revisited for the new MTFS period. This highlighted an additional £1,481K for 2022/23 (on top of the £2,496K growth already in the MTFS for 22/23). The total £3,977K forecast growth for 2022/23 is made up of: inflation , demographic growth and COVID related pressures. Growth projections for 2025/26 and 2026/27, not built into last year's MTFS, have now been added.	Adults and Health	5,081			2,789	2,821	10,691
<u>Violence Against Women and Girls</u> This investment is to provide a sufficient service offer to support women and girls with significant needs and risks to wellbeing which have grown during the pandemic. Without this investment we will risk escalation of domestic abuse and domestic homicide cases, with possible knock on effects on children requiring care and intensive social work support, as well as people needing re-housing. There will also be increased risk of domestic homicide and of young people impacted by abuse becoming involved in gangs and violence - as domestic abuse in the home is a significant risk factor for youth violence.	Adults and Health	582					582
<u>Children's Social Care - placements growth</u> Although the number of children in our care has reduced and is now stable, the service is seeing more complexity and acuity in children's needs. This means that more children need more costly placements. Residential placements costs have also risen from around £2,300 in 16/17 to around £3,818 in 20/21. Secure placement costs vary depending on where young people are being held and continue to be volatile. At the most complex end costs have gone from around £2K per week on average in 16/17 to around £5.5K per week.	Children	3,736					3,736

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<p><u>Children's Social Care rising case numbers leading to cost pressures across a number of services</u></p> <p>Case or activity numbers have risen across a number of Children's services compared to before the pandemic, including:</p> <ul style="list-style-type: none"> -Child protection plans and children in need plans -SEND and rising EHCP Numbers -Increasing numbers of disabled children -Increasing demand for the Young Adults Service -Increased demand for the Haringey expanded free school meal provision <p>These rising case numbers and demand levels place pressures across our children's service teams as there are capacity constraints on the numbers of cases that social workers, educational psychologists or other professionals are able to handle at any one time. The investment is required to ensure we are able to support vulnerable residents. It is likely too that the medium to longer term impacts of the pandemic such as unemployment, child poverty and family conflict and stress will continue to have an impact on the numbers of children needing our help and support.</p>	Children	2,434	144	420	620	20	3,638
<p><u>Brokerage and Quality Assurance for Children and Young People</u></p> <p>COVID has significantly increased the complexity and volume of cases presenting to children's services, and this has a knock on impact on the commissioning/brokerage functions which work with the service to support them. The investment will ensure the functions are best placed to secure effective and timely brokering of services, frequent review of service provision, and commissioning intervention to share and manage the market to meet the needs of children and young people whilst optimising the Council's resources.</p>	Children	402					402
<p><u>Running local elections</u></p> <p>This funding is to cover the estimated costs of running the Local Council Elections in 22/23 and 26/27 which are not funded via Government grant.</p>	Customer, Transformation & Resources + Corporate	500	(500)			550	550

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<u>Back Office Statutory Functions sustainability</u> A number of the budgets for the Council's key statutory support services do not currently reflect the current/required spend to adequately support and advise the organisation, including Legal, Finance, Procurement, Emergency Planning and Information Governance, to ensure they are equipped to best support and enable the organisation in coming years.	Customer, Transformation & Resources + Corporate	1272	(75)				1,197
<u>Proactive Tree Maintenance</u> The Council is responsible for the inspection and maintenance of 35,000 trees spread across streets, parks, housing estates and woodlands. Each of these trees requires inspection in leaf and out of leaf and has the potential to cause harm, to the public and property if not properly maintained. The growth will address rising costs and provide for the ongoing increase in maintenance resource estimated as required to maintain the tree stock.	Environment & Neighbourhood	500		(100)			400
<u>Community Safety and Waste Service and Contract changes</u> Changes in the waste contract and CCTV provision will create pressures in future years budgets which must be recognised in the MTFs	Environment & Neighbourhood	375	51				426
<u>Highways Drainage Cleansing and maintenance</u> The Highways Act 1980 places a duty on the Council to maintain the public highway. This includes highway drainage systems and road gullies. There are around 15,000 assets to be maintained. This additional funding will enable a more proactive, and cost effective approach to gully maintenance and repair, supporting the delivery of the Flood Water Management Strategy.	Environment & Neighbourhood	326					326
<u>Council Landlord Functions Pressures</u> This growth is to allow essential additional investment in Council properties and to deal with backlogs in maintenance/repairs.	Housing, Regeneration & Planning	580	(200)	(325)		(30)	25

Description of Revenue Growth	Directorate	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	TOTAL (£000)
<u>Temporary Accommodation</u> The legacy impact of the pandemic, coupled with changes to legislation and the introduction of Universal Credit have created pressure within the temporary accommodation budget. The Council's Housing Benefit subsidy offset payment has increased in recent years due to increasing numbers of individuals migrating to universal credit, and is forecast to create a financial pressure of £500k. The end of the eviction ban in July 2021 is driving additional demand for temporary accommodation as eviction proceedings have now resumed at the courts. It is anticipated that this could amount to 300 additional TA bookings this financial year at a projected cost of £380k. The new Domestic Abuse Act places new duties on the Council to provide TA to affected households and is anticipated to generate an additional 100 TA placements this financial year at a cost of £125k and at least twice that number next financial year and beyond at a cost of at least £250k.	Housing, Regeneration & Planning	1,130					1,130
<u>Planning Policy and production of the Local Plan</u> This proposal will provide one-off funding to enable the Council to meet its statutory duties in relation to the production of the Local Plan and emergency planning and provides a small on-going budget for the Planning team in order for them to comply with other statutory requirements associated with planning policy.	Housing, Regeneration & Planning	285	(185)	(50)			50
<u>Residents & Communities Engagement and Participation</u> The pandemic emphasised the importance of residents & communities engagement and participation. This investment will enable us to further develop their involvement in local decision making, shaping the services they use and be part of co-producing the borough of the future.	Customer, Transformation & Resources + Corporate	100					100
<u>Environment/climate investment</u> The Council is investing in the public realm and playing our part in tackling the climate emergency, and will invest our resources strategically in these areas.	Environment & Neighbourhood	200					200
		17,849	(807)	(55)	3,409	3,361	23,757

APPENDIX 3 - AGREED REVENUE SAVINGS 2022 - 2026

Total					
Priority	2022/23	2023/24	2024/25	2025/26	Total Savings
	£000	£000	£000	£000	£000
Housing	340	51	12	1	404
People - Adults	4,161	535	-	-	4,696
People - Children	1,679	130	230	0	2,039
Place	2,649	(1,370)	1,360	170	2,809
Economy	100	100	100	70	370
Your Council	751	6	-	-	757
Total Savings - Priorities	9,680	(548)	1,702	241	11,075
Cross-Cutting Proposals	2,250				2,250
Total Savings	11,930	(548)	1,702	241	13,325

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APPENDIX 4: 2022/23 - 26/27 DRAFT CAPITAL PROGRAMME

Key for Source of Funding									
H	Haringey Borrowing								
S	Self-Financing								
E	External								
			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
101	Primary Sch - repairs & maintenance	A range of repairs to various schools covering boiler replacement, rewiring and other items.	5,700	5,000	5,000	5,000	1,000	21,700	H & E
102	Primary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	15,452	13,480	11,000	4,000	0	43,932	H & E
110	Devolved Sch Capital	This is passed 100% to schools	531	531	531	531	531	2,655	E
114	Secondary Sch - mod & enhance (Inc SEN)	A range of larger, substantial repairs to schools such as re roofing works, new windows, and major fabric replacement	270	270	270	270	0	1,078	H
121	Pendarren House	Works to the facility to bring it to a high standard of repair	2,243	2,913	70	0	0	5,226	H
122	Alternative Provision Strategy	To fund capital works that increase the number of AP places in the borough	600	1,800	4,800	4,500	300	12,000	H
124	In-Borough Residential Care Facility	The Council has a significant need to accommodate looked after children. Currently the need is met through out of borough placements which are expensive and can involve extended travel. The aim of this project is to provide these services in borough thus reducing cost, improving quality and reducing travel.	500	2,700	3,000	0	0	6,200	S
199	P1 Other (inc Con't & Social care)	This is a small programme contingency budget.	125	0	0	0	0	125	H
People - Children's			25,421	26,694	24,671	14,301	1,831	92,916	
201	Aids, Adap's & Assistive Tech -Home Owners (DFG)	Grant funded programme of aids and adaptations to enable people to remain in their home	2,193	2,193	2,193	2,200	2,200	10,979	E
208	Supported Living Schemes	Funding to convert property to supported living schemes reducing high cost placements with no loss of quality of service	4,500	3,000	3,000	0	0	10,500	S

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
209	Assistive Technology	The funding for AT will provide a greater range of Assistive Technology interventions that will enable individuals to live independently and safely for longer in their own homes, as well as greater opportunity for improved outcomes through better information and proactive intervention.	500	0	0	0	0	500	S
211	Community Alarm Service	This is the funding for the capital element of the service	177	177	177	177	177	885	H
213	Canning Crescent Assisted Living	This project is to provide a number of assisted living places	100	0	0	0	0	100	S
214	Osborne Grove Nursing Home	The scheme is in development to provide a 70 bed nursing home.	6,036	34,504	2,545	1,094	0	44,180	S
217	Burgoyne Road (Refuge Adaptations)	This project is to provide a new women's refuge	2,250	0	0	0	0	2,250	E & S
218	Social Emotional & Mental Health Provision	This budget is to provide funding to provide additional in borough provision	600	600	600	0	0	1,800	E & S
221	Mosaic System Implementation	This budget is to provide funding for the implementation of a new social care system	1,600	0	0	0	0	1,600	H
People - Adults			17,956	40,474	8,515	3,471	2,377	72,794	
119	School Streets	The funding is to support the roll out of the schools streets initiative	600	600	600	0	0	1,800	E
301	Street Lighting	This is the annual investment in capital maintenance	1,300	1,300	1,300	1,300	1,539	6,739	H
302	Borough Roads	This is the annual investment in capital maintenance	8,754	10,029	10,909	10,909	7,858	48,459	H & E
304	Flood Water Management	This is the annual investment in capital maintenance	680	710	0	0	0	1,390	H
305	Borough Parking Plan	This funding underpins the borough parking plan	321	321	321	321	0	1,284	H
307	CCTV	This funding underpins the borough CCTV plan	1,000	550	0	0	0	1,550	H
309	Local Implementation Plan(LIP)	This funding is provided by TfL for infrastructure works called the Local Implementation Plan (LIP)	1,000	1,000	1,000	1,000	1,000	5,000	E
310	Developer S106 / S278	This funding is provided by developers to offset the deleterious effect of their development so that it is acceptable in planning terms	250	250	250	250	250	1,250	E
311	Parks Asset Management:	This is the annual investment in capital maintenance	1,716	775	300	300	300	3,391	H
313	Active Life in Parks:	This is the annual investment in capital maintenance	699	230	230	230	230	1,619	H & E
314	Parkland Walk Bridges	Investment in the refurbishment of a number of bridges	1,615	2,085	2,000	2,000	2,000	9,700	H

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
322	Finsbury Park	This budget is to cover investment in Finsbury Park funded through the events income	600	600	1,000	0	0	2,200	S
325	Parks Vehicles	This budget is to be used for the procurement of energy efficient park vehicles. It is self-funding and is aimed to reduce carbon emissions.	720	0	0	0	0	720	S
328	Street & Greenspace Greening Programme	This is an annual programme of investment in street & greenspace tree planting programme. The programme is used to match fund other external funds and sponsorship opportunities to deliver circa 200-250 trees per year. The current programme is much greater than this due to a large grant from the Urban Tree Challenge Fund and NCIL funding in four wards.	175	175	175	75	75	675	S & H
329	Park Building Carbon Reduction and Improvement Programme	A four year programme to improve the quality of the parks operational estate (13 buildings) including reducing the energy consumption and water usage by installing new technologies to reduce the carbon emissions to Zero in line with the Climate Action Plan targets for 2027.	1,300	1,050	0	0	0	2,350	S
333	Waste Management	To upgrade waste infrastructure in the public realm	296	0	0	0	0	296	H
336	New River Sports & Fitness	This scheme is to improve the street environment within Haringey.	420	420	533	533	533	2,439	S
337	OFM Assets	This scheme's budget is largely to replace the vehicles currently hired from Veolia with Council owned vehicles. Whilst about 17% of the total budget is for the acquisition of OFM security body cameras and radios.	36	200	0	0	6	242	H
338	Road Casualty Reduction	Haringey Council is committed to improving road safety for all users and, in particular, to provide improved conditions for vulnerable road users, cyclists and pedestrians in the Borough. The Council is producing a Road Safety Strategy and Action Plan (RSSAP) to support Vision Zero. The RSSAP will assist in prioritising future infrastructure investment (e.g. locations of new crossings etc) that require an improved facility or safety measures, and make improvements to walking and cycling routes and facilities within the Borough.	1,600	1,600	1,600	1,600	1,600	8,000	H & E

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
339	Wildflower Meadow Planting	The Council is developing a new Biodiversity Action Plan (BAP) as part of its Parks and Greenspaces Strategy, a key plank of the BAP will be the diversification of the landscape within Haringey to support a greater range of species and habitats. This proposal seeks to support the establishment of a wide range of meadow habitats at different scales.	80	80	0	0	0	160	E
444	Marsh Lane	The scheme is to provide a new depot on Marsh Lane, to be completed by November 2021	266	0	0	0	0	266	H
447	Alexandra Palace - Maintenance	The funding is made up of a regular £470k capital maintenance budget for the upkeep of the palace. In addition there are two projects underway	470	470	470	470	470	2,350	H
621	Libraries IT and Buildings upgrade	This is a programme of upgrades to the libraries in the borough	46	0	0	0	0	46	H
623	Wood Green Library	The funding is to undertake upgrades to Wood Green library	1,000	0	0	0	0	1,000	H
652	Libraries - Re-imaging our Libraries offer for a better future	This is a self funding budget to drive greater use in the libraries	650	0	0	0	0	650	S
Place - Safe & Sustainable Places			25,594	22,445	20,688	18,988	15,861	103,576	
401	Tottenham Hale Green Space	This budget is to deliver improvements to Down Lane Park and the Paddock green spaces	4,406	2,055	4,849	0	0	11,309	H & E
402	Tottenham Hale Streets	This budget is to deliver public realm improvements in Tottenham Hale	9,143	800	1,319	0	0	11,261	H & E
4003	Tottenham Hale Housing Zone Funding	This budget funded by GLA is to invest in public realm within the Tottenham Hale Housing Zone	10,989	0	3,203	0	0	14,192	E
404	Good Economy Recovery plan	This scheme is to provide interventions in high streets, to promote economic activities.	500	100	0	0	0	600	H & E
411	Tottenham Heritage Action Zone (HAZ)	This budget funded by Historic England is to deliver shop front improvements, heritage restoration and public realm improvements within Bruce Grove Conservation Area	2,000	1,200	0	0	0	3,200	E & H
421	HRW Acquisition	The budget is for the acquisition of properties as part of the HRW redevelopment. The costs will be met by the developer.	30,290	38,180	12,200	4,600	17,600	102,870	E
429	Site Acq (Tott & Wood Green)	The budget is to provide the capacity to respond to opportunities to acquire properties. The spending of the budget is subject to a business case.	14,000	10,000	12,000	0	0	36,000	S

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
453	New workspace scheme at Stoneleigh Road car park	This budget is for the provision of mixed use workspace and housing. This budget is for the workspace element	1,000	0	0	0	0	1,000	S
458	SIP - Northumberland PK BB & WorkSpace/Biz Support	This is a grant funded project to deliver broadband and Workspace/business support.	1,490	0	0	0	0	1,490	E
464	Bruce Castle	The funding it to match fund eternal funding (should there be any) and spend is subject to a successful business case	6,000	8,500	5,000	0	0	19,500	S
465	District Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	6,500	3,500	1,771	0	0	11,771	S & E
470	Wood Green Library & Customer Service Centre	This budget is for the development of the WG headquarters and associated works	6,400	7,000	6,000	0	0	19,400	S
473	Enterprising Tottenham High Road (ETHR)	This budget funded by GLA is to invest in workspace in Bruce Grove	451	0	0	0	0	451	H
474	Tottenham High Road Strategy	The budget is the LBH contribution to support delivery of projects within Tottenham High Road strategy area	587	0	0	0	0	587	H
480	Wood Green Regen (2)	This budget is to facilitate the wider regeneration of the WG area.	8,000	7,750	8,664	7,627	0	32,040	H & S
481	Strategic Investment Pot	This is funding provided the Corporation of London for economic development purposes	1,950	0	0	0	0	1,950	E
482	Strategic Property	This is funding for works to the commercial portfolio	254	3	0	0	0	257	H
488	Liveable Seven Sisters (LSS)	This budget is to deliver public realm and parks improvements in Seven Sisters	2,250	1,019	0	0	0	3,269	H & S
493	Bruce Grove Yards (BGY)	This budget is to deliver public realm improvements in Bruce grove	1,670	218	0	0	0	1,888	H
4002	Northumberland Park estate area public realm	This funding is to improve the public realm in this area	500	0	0	0	0	500	E
4005	SME Workspace Intensification	The funding is to intensify use of the Council's industrial estate and spend is subject to a successful business case	3,500	4,000	0	0	0	7,500	S
4006	Acquisition of head leases	The funding is to acquire headleases and any acquisition will be subject to a successful business case	12,000	13,000	0	0	0	25,000	S
4007	Tottenham Hale Decentralised Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	3,129	5,000	7,000	7,500	0	22,629	E & S
4008	Wood Green Decentralised Energy Network (DEN)	The funding is to support the creation of a decentralised energy network and is subject to a successful business case	2,529	2,500	7,500	7,500	0	20,029	E & S

			2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2022/23 - 26/27 Total	Source of Funding
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	£,000	£,000	£,000	£,000	£,000	£,000	
4009	Additional Carbon Reduction Project	This budget is to assist other capital schemes to become more carbon efficient and it is self-funded.	3,000	3,000	3,000	4,000	0	13,000	S
4010	Selby Urban Village Project	The funding is to support the redevelopment of the Selby Centre and associated works	25,000	25,000	15,000	21,416	0	86,416	E & S
4993	Pride in the High Road (PITHR)	This budget is to deliver placemaking / identity projects along Tottenham High Road	432	0	0	0	0	432	H
Economy - Growth & Employment			157,969	132,824	87,506	52,643	17,600	448,542	
509	CPO - Empty Homes	The budget is to allow the Council to undertake CPO on properties should it be required	1,000	1,000	0	0	0	2,000	S
Housing (GF) Homes & Communities			1,000	1,000	0	0	0	2,000	
316	Asset Management of Council Buildings	This scheme funds works to the council's operational buildings.	9,031	4,381	5,500	6,100	2,000	27,012	H
330	Civic Centre Works	This scheme is for the Civic centre refurbishment works	14,500	13,500	14,000	3,750	500	46,250	H & S
602	Corporate IT Board	This budget consists of the following IT programmes: i. Enabling Staff to Support Residents in Need, ii. Automation for Residents, iii. Building A Strategic Data Led Council iv. IT development to support the new ways of working.	3,650	2,000	500	0	0	6,150	H
604	Continuous Improvement	This budget delivers upgrade to the council's IT infrastructure.	950	950	950	950	950	4,750	H
607	Financial Management System Replacement	The budget is to fund upgrades to the existing SAP system to enhance functionality	650	0	0	0	0	650	S
653	Capital Support for IT Projects	This budget provides IT support to other schemes in the programme and it's self-funding.	450	450	450	450	0	1,800	S
655	New Civic Centre, CCTV & Data Centre Move	This bid is to realise the technical infrastructure, audio visual and requisite data centres to be created to support our ambitions for our new Civic Centre.	1,500	1,000	1,500	500	0	4,500	H
699	P6 - Approved Capital Programme Contingency	This is the approved capital programme contingency.	1,000	0	0	0	0	1,000	H
Your Council			31,731	22,281	22,900	11,750	3,450	92,112	
TOTAL GF CAPITAL PROGRAMME			259,670	245,718	164,279	101,153	41,119	811,939	

Appendix 5 - New Capital for 20222/23 MTFS Programme

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Creation of in borough residential care facility</u> The Council has a significant need to accommodate looked after children. Currently the need is met through out of borough placements which are expensive and can involve extended travel. The aim of this project is to provide these services in borough thus reducing cost, improving quality and reducing travel. This will be achieved through the conversion of existing Council properties and/or property acquisition in borough. At this stage it is not possible to identify individual properties. This scheme is funded by Council borrowing but the scheme is included in the capital programme on the basis that it will be self-funding through the savings achieved after paying back the cost of financing the investment.	Children's	500	2,700	3,000	0	0	6,200		Self-Financing
<u>Parks Asset Management</u> As part of the preparation of the new Parks and Greenspaces Strategy, a Parks Asset Management Plan has been developed. The condition of all current assets and remaining life span have been inspected and assessed. A replacement cycle and cost per item has been established and the annualised cost established across the whole park estate. The current allocation of £300,000 is only sufficient to attend to the most immediate health and safety issues and critical improvements to infrastructure. The preparation of the Parks Asset Management Plan has identified that to complete an adequate programme of replacement each year requires an uplift in the budget of £941,000 per annum. This bid allows for one year of investment and is funded by Council borrowing.	Environment & Neighbourhood	941	0	0	0	0	941	52	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Active Life in Parks</u> As part of the preparation of the new Parks and Greenspaces Strategy, a Parks Asset Management Plan has been developed. In addition, the Sport and Physical Activity Strategy identifies the sporting, play and outdoor fitness priorities for the borough. The condition of all current assets and remaining life span have been inspected and assessed. A replacement cycle and cost per item has been established and the annualised cost established across the whole of the sporting, play and fitness resources within parks. This bid allows for one year of investment and is funded by Council borrowing.	Environment & Neighbourhood	469	0	0	0	0	469	26	LBH Borrowing
<u>Buildings and site facilities at New River Sports and Fitness</u> The New River site brings with it a need to maintain and improve the buildings and sporting facilities on site so that they remain safe, operational and fit for purpose for paying customers. The 9th March 2021 Cabinet report included a separate annex D covering the lifecycle costs over 15 years. That report identified an average investment of £336k pa. However, the investment requirements are front loaded with investments of £420k year 1 and 2 and £533k years 3-5. A review of the whole service is expected in year 3 of operation 2024/25. This review will be supported by a full site building review and future investment needs. This scheme is funded by Council borrowing but the scheme is included in the capital programme on the basis that it will be self-funding through the additional income achieved after paying back the cost of financing the investment.	Environment & Neighbourhood	420	420	533	533	533	2,439		Self-Financing
<u>OFM Security - Body Cameras and Radios</u> This bid is for the purchase of body cameras and radios for staff engaged in security works at various public sites to enhance safety. The radios will be provided to a wider range of staff to enhance their productivity. This bid allows for one investment and a year five investment and is funded by Council borrowing.	Environment & Neighbourhood	36	0	0	0	6	42	2	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Parks Leased Buildings - Legal requirement to meet minimum of EPC Grade E by April 2023</u> This scheme is to supplement an existing scheme to bring the Parks Operational buildings to a compliant position for the 1st April 2023. This bid is funded by Council borrowing.	Environment & Neighbourhood	500	250	0	0	0	750	41	LBH Borrowing
<u>OFM – Vehicles</u> This scheme is to replace the vehicles currently hired from Veolia with Council owned vehicles. This bid is funded by Council borrowing.	Environment & Neighbourhood	0	200	0	0	0	200	11	LBH Borrowing
<u>Parkland Walk footbridge replacement work</u> Parkland Walk is London longest linear nature reserve and is held up by, or goes under seven bridges managed by the Parks Service. Many of the bridge structures have been in place for over 140 years and require major refurbishment or replacement. The current programme (£3.6m) covers works to three bridges and investigation and monitoring of a fourth bridge. Refurbishment works have commenced on site on two bridges and the third bridge which is being replaced will be submitted for planning permission in September with works taking place in 2022/23. It is anticipated that to complete the refurbishment / replacement of the four remaining bridges and to resurface the whole length of the walk (4km) a further £10m will be required over five years to complete the works (the fifth year of which being outside of this MTFS period). The works are required to prevent the collapse / failure of the bridge structures and ensure that the public can continue to enjoy all the benefits of Parkland Walk. This bid is funded by borrowing.	Environment & Neighbourhood	0	2,000	2,000	2,000	2,000	8,000	440	LBH Borrowing
<u>Street lighting maintenance</u> This bid is for additional resource in 2026/27 to supplement the existing programme. This bid is funded by Council borrowing.	Environment & Neighbourhood	0	0	0	0	239	239	13	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Upgrade Parks lighting</u> This scheme brings investment into the street lighting in parks and will integrate it with the Council's street lighting system. The scheme includes the conversion to LED lighting, the installation of central management system (CMS) nodes and the replacement of life-expired lighting columns (2/3rds of all columns). The return on investment for LEDs is 7-9 years, for CMS is 10-11 years and column replacement improves health and safety. This bid is funded by Council borrowing.	Environment & Neighbourhood	475	475	0	0	0	950	52	LBH Borrowing
<u>Tree planting - Street & Greenspace Greening Programme</u> The current capital scheme of £100k per annum allows the planting of circa 180 new street trees per annum. In an average year the council currently fells around 300 trees that are dead, diseased, dying or implicated in damaging structures. The increase in funding will allow the council to directly ensure that it at least maintains a net neutral position in terms of its tree stock. Additional, sponsorship by residents of street trees and celebration trees, external grants and Neighbourhood CIL will continue to be applied for to increase the level of tree planting to a net positive position each year. This bid is funded by Council borrowing.	Environment & Neighbourhood	75	75	75	75	75	375	21	LBH Borrowing
<u>Waste - Street Washing-Cleansing equipment</u> Initial work has identified efficiencies can be achieved through increased mechanised cleansing of high roads but will need the support of smaller Tenax MaxWind push-along electric sweeper units or equivalent (£16k per unit, up to six required) to achieve an overall reduction in manual cleansing resource for MTFS mechanical cleansing and THFC full cost recovery savings. This bid is funded by Council borrowing.	Environment & Neighbourhood	96	0	0	0	0	96	5	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>"Out of the Box" outreach services</u> This is a joint application by the Haringey Library Service and the Haringey Adult Learning Service (HALS) to procure 3 mobile digital units that can be used as pop up digital inclusion facilities in libraries, and provide digital outreach in venues including residential settings (adults and children's), youth and community centres and one off local events. Although each digital inclusion programme will be co-designed with external partners, the Library Service and HALS envisage the digital inclusion activity focusing on helping participants access local services, secure advice (on matters ranging from employment to debt, fuel poverty or domestic violence), manage shopping and finances, upgrade their work-related digital skills through formal training, become more active citizens, stay connected to their families and communities, inform local placemaking activity and stay safe online through building media/information literacy. This bid is funded by Council borrowing.	Housing Regen and Planning	46	0	0	0	0	46	3	LBH Borrowing
<u>Highways Asset Maintenance Programme</u> Local authorities are legally obliged to maintain their respective highways, providing safe and expedient movement to, from and around their networks. Decisions on the way the Council manages its highways have economic, social, and environmental impacts and need to be made carefully. For example, for every £1 invested in highway maintenance, the Department for Transport considers a minimum net local economic benefit yield of £4. Recent condition surveys have indicated there is a need for investment in the borough's highway assets. This bid is funded by Council borrowing for the first year (2022/23). Thereafter it has been assumed that there will be grant funding available to undertake the work.	Environment & Neighbourhood	3,985	3,985	3,985	3,985	3,985	19,925	219	LBH Borrowing & External Grant

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<p><u>Enabling Staff to Support Residents in Need</u></p> <p>This new investment in the Council's "web offering" will enable Council staff to:</p> <ul style="list-style-type: none"> (i) Spend more time with residents who need us the most, (ii) Ensure we understand the resident better, (iii) Reduce the number of people residents need to speak to solve their issue. <p>We want to achieve the above objectives by investing in new technology to provide state of the art, online tools for residents who can and want to transact with us in that way. Looking at the whole person's (or household's) needs in one place in an easy to manage format. We want to bring together basic information we have on residents to one trusted place, so residents do not get lost between services and we deliver a complete service offer. (Apply once/Contact once principle). Release capacity to enable staff to work with more vulnerable or higher need residents. This will mean investing in new digital techniques that support the way our residents want to do business with us – but also investing to ensure digital inclusion and a policy of 'no one left behind' is in place.</p>	Customers Transformation and Resources	1,000	750	0	0	0	1,750	96	LBH Borrowing
<p><u>Automation for Residents</u></p> <p>This bid is to implement technical tools that "automate" transactions for our residents. For example, automatically responding to "chat" and requests in diverse languages and the removal of any "clunky" processes where the Council appears to have slow or inefficient responses to requests for licences, services or enquiries. We know that automation will help to improve the speed at which we do things, allowing us to reduce unnecessary manual handling of information and processes and thereby enabling us to be able to afford the areas of growth in demand for support which are unavoidable. The bid is designed to allow the Council to use funds flexibly to implement automation projects to test which will make the most impact for the Council and provide new solutions for our workforce, customers and businesses.</p>	Customers Transformation and Resources	250	250	0	0	0	500	28	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Building A Strategic Data Led Council</u> We need to improve our grip on data and how we use it. To do this we need investment to put Haringey on a par with leading London Authorities in a range of data management and integration tools, to help us to look closely at communities, households and individuals and understand the impact of our investments or plans - and to create conversations with residents and businesses that are appropriately targeted, relevant and productive. Data strategies are a growing area for large organisations and require specialist technical staff and storage techniques in order to examine the data we hold and present it in a meaningful manner back to Members and Officers in order to ensure that resources are correctly being allocated and that the results from these programmes are having the desired effect for our community. This investment will help us understand what is going on across the borough, examine root causes of complex issues and more about how we can work most effectively with our communities and partners to realise greater equality and access to support across the Borough for all. This project includes resourcing a new Procurement System required due to legislative changes.	Customers Transformation and Resources	1,000	1,000	500	0	0	2,500	138	LBH Borrowing
<u>Data Centre and New Civic Centre</u> Digital infrastructure to support a modern Council corporate headquarters. In addition to the costs of infrastructure to support the Civic Centre, we need to be able to move the CCTV and Data Centre out of River Park House in the near future and provide a more permanent 'home' for them. A single move, to premises outside the Civic Centre, will enable the Council to minimise the risks associated with such moves and the solution will provide both capability to the Council over the period of development of the Civic Centre, but will also provide the longer-term capability required, off-site from the main building, enabling our vision of a minimal carbon building. This bid is to realise the technical infrastructure, audio visual and requisite data centres to be created to support our ambitions for our new Civic Centre.	Customers Transformation and Resources	1,500	1,000	1,500	500	0	4,500	248	LBH Borrowing

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Asset Management of Council Buildings</u> This bid is for ongoing investment in the Councils built assets held in the corporate / operational estate. This includes the repair, refurbishment or replacement of fixed assets including M&E, and building fabric, to ensure the buildings remaining in an operationally acceptable state and support the Council's accommodation strategy and the Council's service delivery buildings. It may also include minor works to deliver improvements, alterations and funding for essential safety & compliance works. This bid is funded by Council borrowing.	Housing Regen and Planning	4,700	3,000	1,500	2,100	2,000	13,300	732	LBH Borrowing
<u>Civic Centre Annex</u> The estimated cost of the overall Civic Centre & Civic Centre Annex project is currently estimated at £54m. There is currently £24m within the approved GF capital programme. This bid is to ensure that there is sufficient budget provision to complete the project. This scheme is funded by Council borrowing but the scheme is included in the capital programme on the basis that it will be self-funding through the savings achieved after paying back the cost of financing the investment.	Housing Regen and Planning	9,000	9,000	9,000	2,500	500	30,000		Self-Financing
<u>Road Casualty Reduction</u> Haringey Council is committed to improving road safety for all users and, in particular, to provide improved conditions for vulnerable road users, cyclists and pedestrians in the Borough. The Council is producing a Road Safety Strategy and Action Plan (RSSAP) to support Vision Zero. The RSSAP will assist in prioritising future infrastructure investment (e.g. locations of new crossings etc) that require an improved facility or safety measures, and make improvements to walking and cycling routes and facilities within the Borough. The RSSAP will include accident and casualty data analysis to devise a ranking system to identify the locations and priority order for future road accident reduction engineering projects and associated infrastructure spend. This bid is funded by Council borrowing for the first year (2022/23). Thereafter it has been assumed that there will be grant funding available to undertake the work.	Environment & Neighbourhood	1,600	1,600	1,600	1,600	1,600	8,000	88	LBH Borrowing & External Grant

Description of Capital Bids	Directorate Area	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	Total (£'000)	Indicative annual Revenue Cost of Borrowing £000	Funding Source (LBH Borrowing, External, Self Financing borrowing)
<u>Wildflower Meadow Planting</u> The Council is developing a new Biodiversity Action Plan (BAP) as part of its Parks and Greenspaces Strategy, a key plank of the BAP will be the diversification of the landscape within Haringey to support a greater range of species and habitats. This proposal seeks to support the establishment of a wide range of meadow habitats at different scales. There is significant opportunity for community involvement in the establishment and management of meadows. This is a 2 year pilot - of a proposed 5 year programme following outcome of pilot. This bid is funded by Council borrowing.	Environment & Neighbourhood	80	80	0	0	0	160	9	LBH Borrowing
<u>Capital Programme Contingency</u> This proposal is for the creation of capital contingency in the capital programme to assist in managing any unforeseen variations. This bid is funded by Council borrowing.	Customers Transformation and Resources	1,000	0	0	0	0	1,000	55	LBH Borrowing
		27,673	26,785	23,693	13,293	10,938	102,382	2,277	

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Flexible Use of Capital Receipts

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 2022/23.

3. **List 1 - Previous indicative proposals for the flexible use of capital receipts requiring agreement**

- a) 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. The streamlined pathway will ensure that they receive services directly relating to their needs immediately, thus improving their outcomes and reducing costs.
- b) Children’s Services improvements. This funding is to continue with the transformation of Children’s Services through improvements to the special educational needs and disabilities services.
- c) 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.
- d) 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.
- e) Counter Fraud Work. This is to support a broad range of work to reduce fraud against the Council through augmenting existing resources.
- f) 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.

4. **List 2 - New proposals for the flexible use of capital receipts**

- g) Demand Management in Social Services. This funding is to build on the success of the supported living capital schemes and provide a short-term resource to improve the pathways into supported living. In addition the funding will support a brokerage function to create efficiencies in accommodation and to assist in the transition process from Children’s Social Care into Adult Social Care.

- h) Children's Services Improvements. The expenditure here will support a range of small, time limited, targeted projects aimed at improving the SEND service and to reduce costs. In addition there is further funding for the Pause project as well as improving the MASH arrangements.
- i) Parking Improvements. The funding will support the improvement to the parking service by increasing efficiency through system improvements and a programme of innovation.
- j) Waste Improvement. The funding allocated here will assist in the review of the service and in the procurement of a new contract for waste, which will reflect recycling expectations in the refreshed borough plan. The service has experienced a range of legislative changes and as a consequence there is a need to reshape the contract and service specification.
- k) Selective Licensing Review. The proposal to introduce selective licensing will involve initial set up costs and once the service is running will lead to a significant change in the licensing of private sector landlords in the borough which in turn will create better living environments for residents. Poor housing contributes to a range of poor outcomes. and it is more cost effective to prevent rather than cure. The scheme will ensure that there is higher quality housing in the borough that will avoid expenditure in a range of areas (health and schools) through people not needing specialist services.
- l) Asset and Energy Management of Council Building. The Council is working towards massively reducing its carbon footprint. This resource will enable the Council to ensure that the property we have is in a appropriate, compliant condition as well as providing funding for undertaking energy audits and responding to carbon reduction initiatives.
- m) Accommodation Strategy. The Council seeking to reduce the overall level of its accommodation that it uses for its own purposes for direct office accommodation, reflecting different working patterns with more home working in the future. At the same time the Council will look increase its presence across different areas of the borough through its localities strategy. This funding will provide resource to drive this process through.

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.

List 1 - Previous indicative proposals for the flexible use of capital receipts requiring agreement

Ref.	Title	Estimated Investment					Total (£'000)	Estimated Savings					Total (£'000)	
		2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)		2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)		
a	Demand Management in Adult Services	320	227	227			774	-250	-250	-250	-250	-250	-1,250	
b	Children's Services Improvements	40	40	40	0		120						0	
c	Improvement to asset management & energy management arrangements	325		0	0								0	
d	Corporate Support to all improvement programmes	1,271	1,295	0	0		2,566						0	***
e	Counter fraud work	90	90	0	0		180	-100	-100	-100	-100	-100	-500	*
f	Digital Together	1,500	0	0	0		1,500	-3,000	-3,000	-3,000	-3,000	-3,000	-12,750	
		3,546	1,652	267	0	0	5,140	-3,350	-3,350	-3,350	-3,350	-3,350	-14,500	

List 2 - New proposals for the flexible use of capital receipts

Ref.	Title	Estimated Investment					Total (£'000)	Estimated Savings					Total (£'000)	
		2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)		2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)		
g	Demand Management in Adult Services	403	114				517	-250	-250	-250	-250	-250	-1,250	
h	Children's Services Improvements	524					524						0	
i	Parking Improvement Programmes	635					635	-640	-1,280	-1,920	-2,560	-3,200	-9,600	**
j	Waste Improvement	75					75						0	
k	Selective Licensing Review	110					110			(339)	(339)	(339)	-1,017	
l	Improvement to asset management & energy management arrangements		300				300						0	
m	Accommodation Strategy	300	300				600				(365)	(365)	-730	*
													-11,867	
		2,047	714	0	0	0	2,761	-890	-1,530	-2,509	-3,514	-4,154	-24,464	
Grand Total		5,593	2,366	267	0	0	7,901	-4,240	-4,880	-5,859	-6,864	-7,504	-38,964	

*Indicative savings

**Investment required to deliver agreed MTFS savings

***Savings reported in service area savings proposals

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2022/23 - INDICATIVE BUDGET BREAKDOWN BASED ON DSG ALLOCATION / SCHOOLS FORUM

Funding Block	Stream	Indicative Budget breakdown based on DSG Allocation/School Forum				Total
Schools Block	Schools Block Allocation with Academies	208,334,760				
	Growth Fund	1,100,000				
	0.25% Schools block transfer	525,732				
	Attendance & Welfare Service	122,000				
	Tiverton second year lump sum	68,000				
	Split Site Nursery LA	60,000				
	School Block Total	210,210,492				210,210,492
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	641,719				
	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	170,000				
	Central Block Total	2,784,605				2,784,605
High Needs Block	<i>Early Help contribution*</i>			1,230,000		
	<i>SEN Transport*</i>			225,000		
	<i>HNB-DSG Cont Adm & Welfare*</i>			350,000		
	<i>* Utilisation to be determined</i>					
	HNB Support to Alternative Provisions			1,900,000		
	HNB Support to Early Years			682,000		
	HNB Support to Schools (PRU + Hospitals)			908,500		
	Independent & Voluntary Schools			8,361,000		
	Learning Support Services			1,100,000		
	Maintained - Funding			6,635,000		
	Maintained - Top Ups			24,575,665		
	Parenting -Information Advice & Support			96,000		
	SEN contingency			1,300,000		
	SEND Team			300,000		
	Sensory Support			530,000		
	<i>Late announced additional DSG HNB grant*</i>			1,876,719		
	High Needs Block Total			50,069,884		50,069,884
Early Years Block	Additional Working Parents Funding(+15 Hrs)				3,631,000	
	Centrally Retained				787,000	
	Early Years Passported				3,623,081	
	Universal Funding (15 Hrs)				11,176,000	
	Early Years Block Total				19,217,081	19,217,081
					Total DSG	282,282,062

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Budget Consultation Report

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1. Executive Summary

- This year, A total of 165 questionnaires have been completed – 164 came through the council's online survey platform and 1 via email.
- As the approach to this budget differed from previous years and there were no new savings proposals, respondents were asked to place six key Council policies in order of which they supported most strongly. The proposals receiving strongest support were as follows:
 - additional resources for adults and resident's social care;
 - investment in a cleaner, greener Haringey;
 - support to tackle violence against women;
 - investment in public assets including the New River Sports Centre and the Civic Centre;
 - investment in council homes;
 - and, strengthening the Council's infrastructure including investing in digital technology so that we can deliver high quality public services.
- Respondents to the consultation also strongly supported proposals relating to business recovery; insourcing; plans for Council assets; maintenance of drainage and gullies; and, public safety. Residents were asked for any proposals they thought we should not progress. Topics included plans for low traffic neighbourhoods and controlled parking zones; crime and public safety; and, adult social care.
- Residents were asked for any changes or proposals that they would like to see in the future which might save money. Respondents suggested digital transformation; both insourcing and outsourcing our workforce; and implementing revenue raising activity. There were also suggestions about different uses of the Council's Assets.
- Residents were asked for feedback on any changes or proposals that they would like to see in the future which would help to make Haringey a more equal borough. Responses included comments on engagement with disabled people, accessibility, and investment on advice, early years services, education, housing and access to leisure.

2. Introduction

2.1 Introduction

The budget proposals for **2022/2023** have been subject to a formal public consultation. This report sets out the findings from the Council's consultation on its budget for **2022/23** which also refreshes its Medium-Term Financial Strategy (MTFS) to cover the period up to **2026/27**. This report presents the findings of this consultation, to inform the final decision on the Council's budget for **2022/2023**.

2.2 Technical Details & Method

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, Twitter as well as through various partners.

2.2.1 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:

- Key Proposals which respondents supported the most.
- Any other Proposals which respondents supported (the consultation also asked respondents to provide their reasoning).
- Any proposals which respondents thought we should not proceed with.
- Suggestions on proposals which respondents thought we should include to save money.
- Comments outlining whether respondents thought individuals with Protected Characteristics may be impacted by proposals.

2.2.2 Questionnaire Analysis

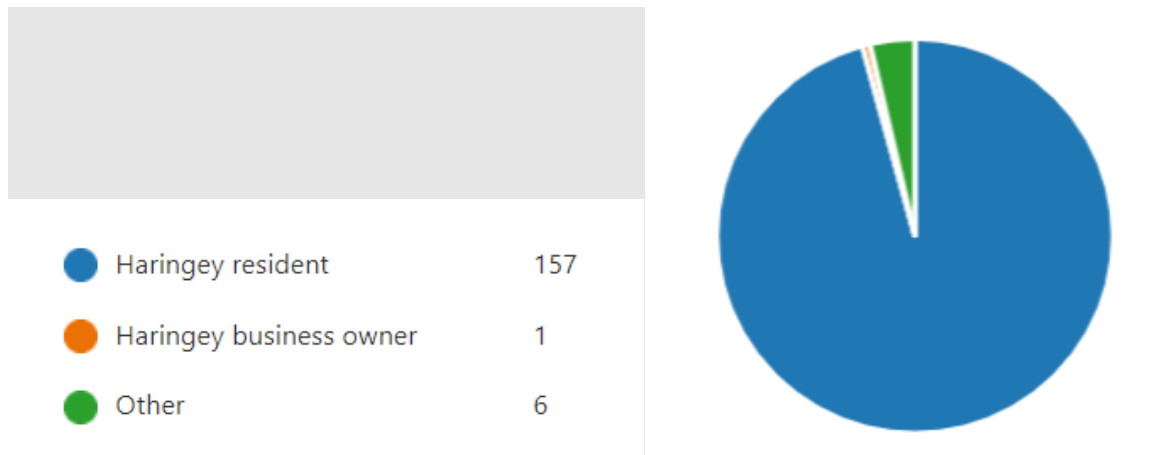
A number of themes arose from the consultation. These are reported in greater detail where they were raised repeatedly by different respondents to the consultation. The number of respondents for other themes were too low to draw any clear conclusions.

2.3 Response to the Consultation

A total of **165** questionnaires have been completed – **164** came through the council's online survey platform and **1** via email.

2.4 Response Profile

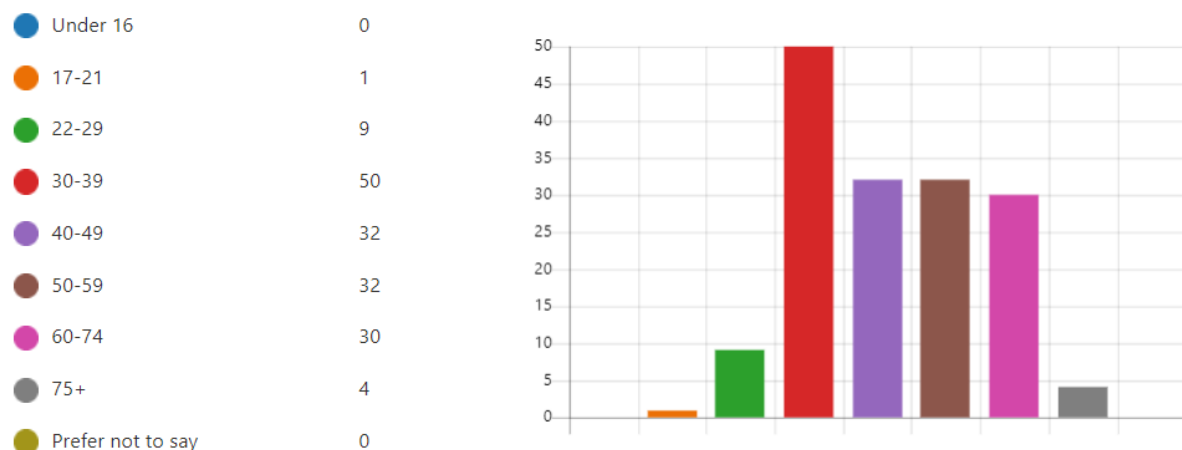
As the graph below depicts, respondents were asked to identify themselves as either: **Residents**, **Business-owners**, or **'other'**. The majority of respondents to this consultation were residents (157). 1 response was received from the business community while 6 respondents selected other.



Which age group applies to you?

The majority of respondents who answered this question were aged between **30-39**.

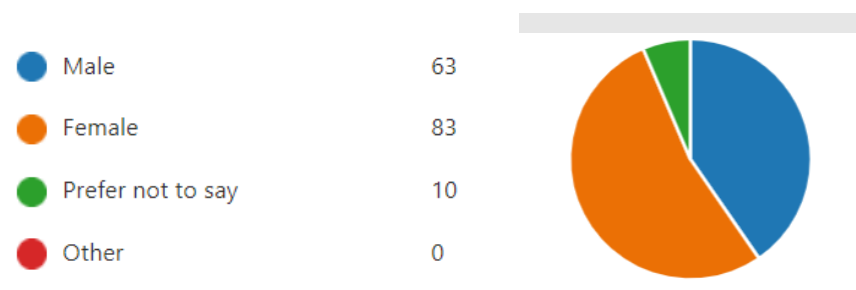
30 respondents selected the **60-74**, while a further 32 individuals self-identified as **40-49**. 9 Respondents selected **22-29**, 4 selected **75+** and 1 selected **17-21**.



What best describes your sex?

This question asked respondents to describe which sex they identify as. The results are balanced with 83 responses from women and 63 from men.

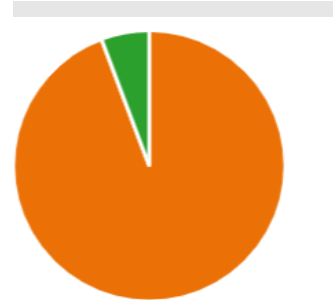
10 respondents preferred not to say.



Do you consider yourself to be Trans?

Trans is an umbrella term to describe people whose gender identity is not the same as, or does not sit comfortably with, the sex they were assigned at birth. The vast majority of respondents (132) selected **No** whilst 3 respondents preferred not to say.

● Yes	0
● No	132
● Prefer not to say	8



Do you consider yourself to be disabled?

This question asked respondents to identify whether they suffer from a disability or had any long-term mental or physical conditions. As the graphs shows, the majority of respondents stated that they **Do Not** have any disabilities (123). 19 respondents did consider themselves to have a disability.

11 respondents preferred not to say.

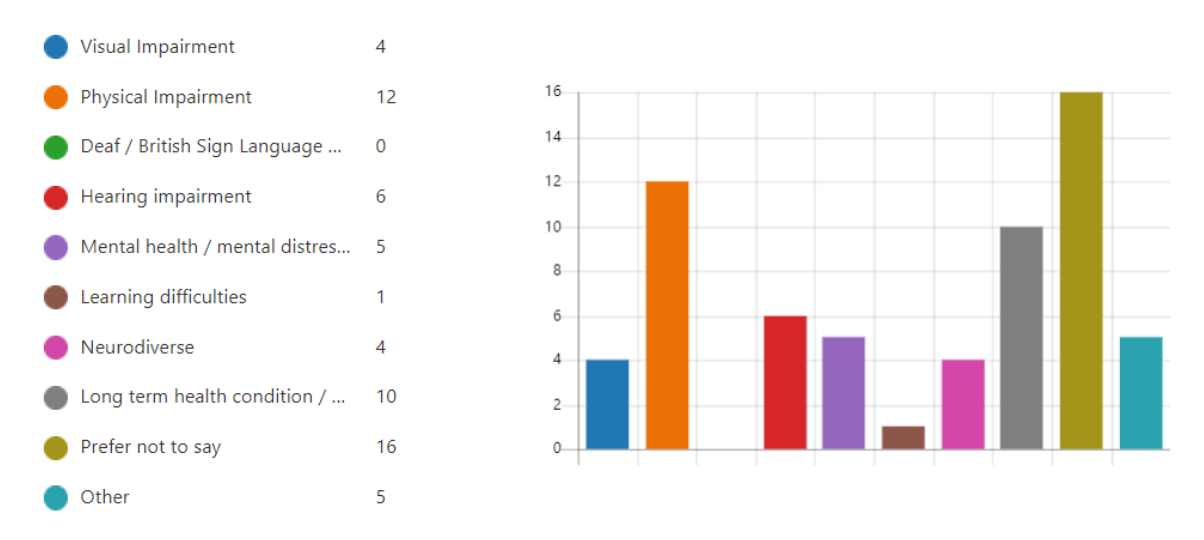
● Yes	19
● No	123
● Prefer not to say	11



Disability – Which of the following impairment groups apply to you?

From those respondents who identified a disability. 12 respondents suffered from a **physical impairment** or **Long-Term health condition**. There were 6 respondents who had a **hearing impairment**, 5 who had **mental health** issues or suffered **mental distress** and 4 who identified as **neurodiverse**. 4 respondents had a **visual impairment** and 1 suffered from **learning difficulties**.

5 respondents selected other and 16 preferred not to say.



National Identity – How would you describe your national identity?

The majority of respondents to the Budget Consultation identify as being **British** (64) with 37 people identifying themselves as **English**. There were 10 respondents who selected **Irish**, 3 respondents who considered themselves as **Italian**. 4 respondents selected **Scottish**. 3 respondents selected **Welsh, American and Indian**. 2 respondents selected **Spanish, Australian, Cypriot, French, and Jamaican** respectively.

The following countries were represented by 1 respondent each: **Germany, Lithuania and Turkey**.

Ethnicity – What best describes your ethnic group.

The majority of respondents to the Budget Consultation would describe themselves as being **White British** (67). 5 respondents selected **White Irish** and 1 respondent selected **White Roma** as their ethnicity. 35 selected **Any Other White Background**.

There were 7 respondents described their background as **Black African**, 1 respondent selected a **mixed White and Black African** and 1 respondent selecting a mixed **White and Black Caribbean**. 1 selected another **Black British, African or Caribbean** background.

There were 5 respondents described their ethnicity as **Asian (Indian)**, 1 respondent selected **Asian Chinese** and 1 described their ethnicity as **Asian Bangladeshi**.

There was 1 respondent who described their ethnicity as **Turkish**.

There were 3 respondents who described their background as other.

Sexual Orientation – What best describes your sexual orientation?

There were vast majority of respondents described themselves as **Heterosexual/Straight** (109), 5 respondents selected **Bisexual** and **Gay/Lesbian** respectively.

1 respondent selected other and 25 preferred not to say.

Heterosexual / Straight	109
Bi	5
Gay / Lesbian	5
Prefer not to say	25
Other	1



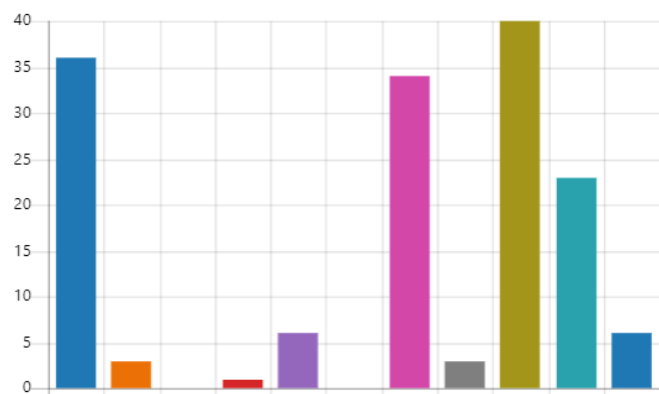
How would you describe your religious belief?

There were 40 respondents who selected **No Religion** and 36 who selected **Atheist**.

There were 34 respondents who selected **Christian**, 6 who selected **Jewish**, 3 who selected **Muslim** and **Hindu** respectively.

There were 6 respondents who selected other with 12 respondents preferring not to say.

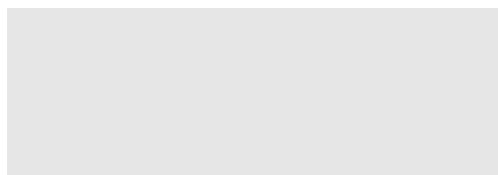
Atheist	36
Hindu	3
Rastafarian	0
Buddhist	1
Jewish	6
Sikh	0
Christian (including Church of ...	34
Muslim	3
No Religion	40
Prefer not to say	23
Other	6



Pregnancy and Maternity

Are you currently pregnant?

133 respondents are not currently pregnant with 12 preferring not to say.



Yes	0
No	133
Prefer not to say	12



Have you had a baby in the last 12 months?

4 respondents have had a baby in the last year. 131 respondents have not with 4 respondents preferring not to say.

Yes	4
No	131
Prefer not to say	11



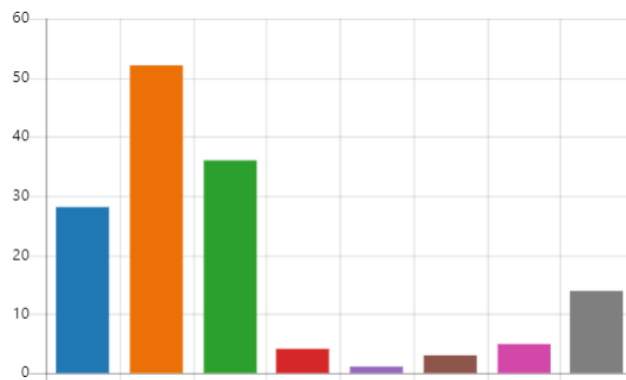
Have you had a baby in the last 12 months?

There were 52 respondents who are **Married**. 28 respondents were **Co-habiting** and 28 are currently **Single**.

There were 5 respondents who are **Widowed**, 4 residents were in a **Civil Partnership**, 3 were **Divorced** and 1 **Separated**.

There were 14 respondents who preferred not to say.

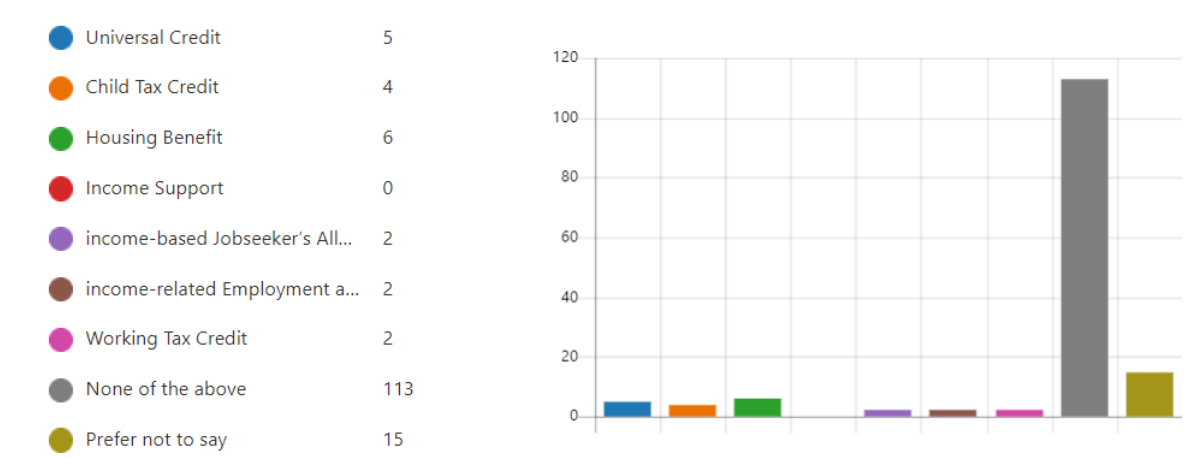
Single	28
Married	52
Co-habiting	36
Civil Partnership	4
Separated	1
Divorced	3
Widowed	5
Prefer not to say	14



Socio-Economic status – Are you on any form of Income Support?

The vast majority of respondents (52) were not on any kind of benefits. 5 respondents were on Universal Credit and 6 receive **Housing Benefits**. 4 respondents receive **Child Tax Credits** and there was 2 respondent who selected **Income based Job Seekers Allowance** and **Income-related Employment Allowance** respectively.

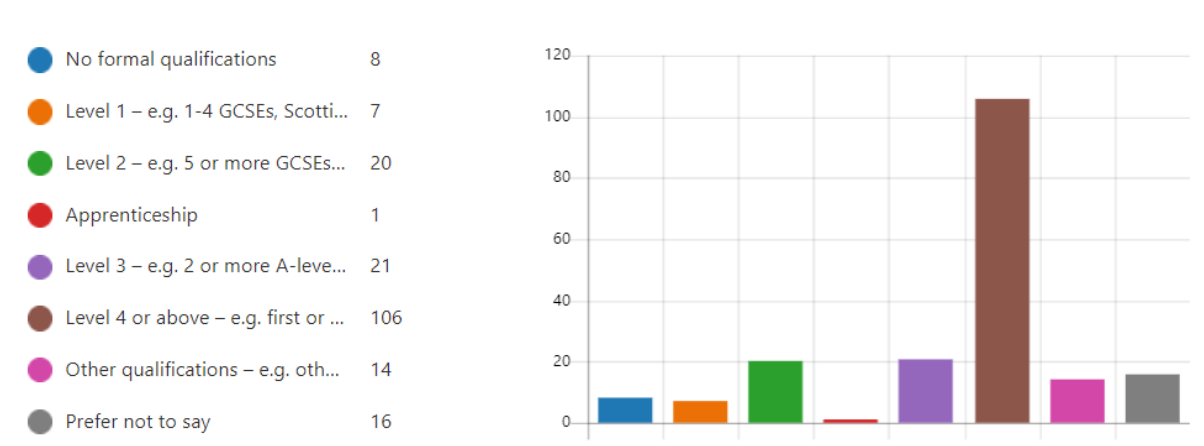
15 respondents preferred not to say.



Socio-Economic status – What is your level of Education?

The majority of respondents had a **level 4** or above education (106). 21 Respondents **selected Level 3** as their level of education. There were 20 for **level 2** and 7 who selected **Level 1**. There were 4 respondents who have **No formal education**.

10 respondents selected other qualifications and 8 respondents preferred not to say.



Preferred language

The majority of respondents selected **English** as their preferred language (135). 6 respondents selected Italian 3 respondents selected **Spanish** and **French** respectively. There was 1 respondent for **Arabic, German, Russian, Gujarati, Somali, Polish** and **Turkish**.

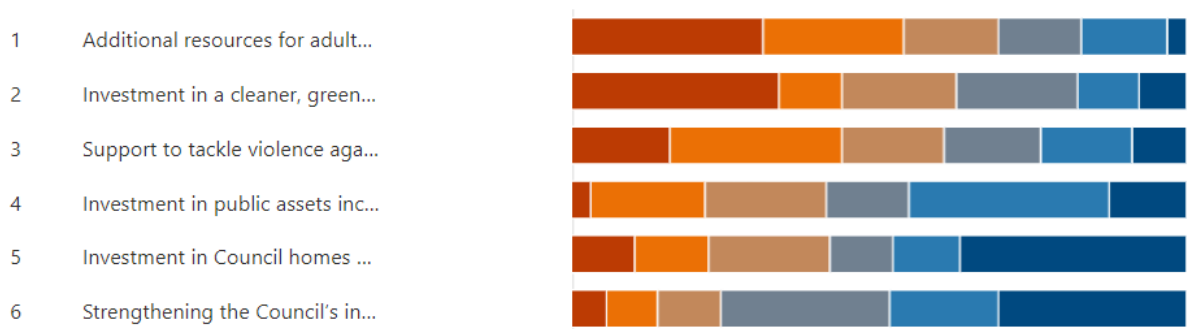
3. Detailed Findings

3.1 Detailed Findings – Q2 – Which proposals do you support most strongly?

Respondents were asked to place six key Council policies in order of which they supported most strongly. Overall, proposals were ranked in the order below:

- 1) additional resources for adults and resident's social care
- 2) Investment in a cleaner, greener Haringey
- 3) Support to tackle violence against women
- 4) Investment in public assets including the New River Sports Centre and the Civic Centre
- 5) Investment in council homes
- 6) Strengthening the council's infrastructure including investing in digital technology so we can deliver high quality public services

Investment in a cleaner, greener Haringey received the most first place votes (31.2%), however **Additional resources for Adults and residents social care** was voted higher overall featuring in 70% of residents top 3 issues.



Detailed Findings – Q3 – Is there another proposal which you strongly support not listed above?



Detailed Findings – Q4 – which proposal do you support?

Healthcare	4
Children	3
Environment	8
Infrastructure	1
Housing	3
Civic centre refurbishment	1
Adult Social Care	2
finance	1
Council services	4
Council Assets	2
Public Safety	10
Benefits	4
Organisational Structure	1
Schools	2
Healthcare	2
Roads - cycling	3
Climate Change	1
Roads - CPZ/LTN	3
High streets	3
Business Recovery	5

Crime and Public Safety

There was a general theme in support for any policies that would see investment in tackling crime and community safety. Concerns were raised about gang violence and knife crime in particular with hotspots such as Seven Sisters and Wards Corner mentioned.

“...A fund to tackle gang violence in Haringey. Specifically, the rivalry between the youth of Tottenham and Wood Green”

“...Invest in addressing the antisocial behaviour, particularly at Wards Corner / Seven Sisters station / West Green Road”

Environment

There was support for work to be done on how the Council deals with waste. Investment in parks in the Borough is supported as is the plans for the council’s drainage cleansing and maintenance. There were also positive comments for the Council’s plan for tree planting and wildflowers as part of the council’s Biodiversity Action Plan (BAP)

“...Improved pedestrian connectivity and interconnected green spaces. For example, the waterway on the Haringey Ladder making green spaces more accessible and the streetscape more walkable (improved pedestrian crossings)”

“...More effective recycling and waste management”

Business Recovery

There was a general call for supporting businesses to recover from the pandemic including through the use of Public Health and Employment grants.

“...Supporting businesses to recover from the pandemic”

“...Public Health and Employment grants for businesses”

Detailed Findings – Q5– which proposals do you not support and why?

Environment	3
Infrastructure	1
Housing	1
Digital Services	4
Civic Centre	6
Adult Social Care	2
Finance	1
Council services	4
Council Assets	1
Public Safety	5
Benefits	4
Schools	1
Healthcare	2
Roads - CPZ/LTN	8
High streets	2
Maintenance	2
New builds	1

Roads – LTN/CPZ

Respondents to the consultation sometimes expressed concerns over Controlled Parking Zones and Low Transport Neighbourhoods in their area. Concerns raised included that they felt it did not solve problems of residents parking, help with pollution due to creating traffic jams and were a general annoyance. There were also concerns about them creating a social divide.

“...Low Traffic Neighbourhoods. Pay back the TFL money and abolish plans for the LTNs”

“...LTNs. They concentrate traffic on roads that cannot cope with the additional traffic. They stop emergency vehicles. They reduce property values of homes outside the LTNs”

Civic Centre

Respondents sometimes expressed doubts about the value of plans to develop and refurbish the Civic Centre A common theme of concern was the cost of the work. Other issues mentioned included it now being surplus to requirements given changes to the way council staff are likely to work in the future and that the money could be spent better elsewhere.

“...Do not progress the £54m civic centre plan that keeps growing in cost”

“...The £54 million you intend to spend on the refurb of the civic centre and unnecessary Annex that has been given the go ahead. COVID 19 has made full time office work a thing of the past. Hybrid working IS the new norm”

Crime and Public Safety

There were concerns over the value of our plan to support to tackle Violence against Women and Girls. Comments highlighted concerns that services would be taken away from day-to-day crime.

“...Violence against women & girls. It’s a statistical fact that men are the biggest victims of violent crime. Treat all genders equally”

“...Giving any money or housing to drug addicts and drug dealers”

Detailed Findings – Q6 – Saving money, income generation and better value from council spend

Residents were asked whether there were any changes or proposals that they thought we should consider in future which might save money, generate income or achieve even better value from council spend. Their suggestions are outlined below:

Healthcare	2
Environment	8
Infrastructure	4
Resident Support	2
Parking	8
Housing	5
Digital Services	9
Civic centre	2
Adult social care	1
Finance	9
Council Assets	5
Public Safety	2

Organisational Structure	8
Schools	1
Roads - CPZ/LTN	4
Business Recovery	3
Maintenance	1
New builds	1
Road safety	2
Economy	3

Digital Services

There were calls for a better use of technology overall within the council in order to make service more efficient and effective. There were also calls to use technology to reduce overheads and staff. It was thought that improvements to the Council's website would also bring benefits for the community.

"...Consider the digital divide and making services available to those who do not have access to technology"

"...Upgrade of website and platform architecture to deliver better online services and save money in the long term"

Finance

There were various comments on how the Council could manage funds. These including seeking funds from the Government, increasing council tax, seeking opportunities for income generation by running events and to generally incorporate some more "for-profit" schemes into the Council's services.

"...Income generation from commercial events or filming activities such as unit bases or providing studio space. The film industry is booming and more could be done to attract revenue from it"

"...The council should stand up to government and publicly complain if funding isn't enough to cover basic standard"

Environment

Comments ranged from asking Tottenham Hotspur FC to aid organise street cleaning and the maintenance of parks, having less waste collections and less grass maintenance in order to save funds, and installing solar panels on people's rooftops to help cut people's energy bills.

"...Use green energy employ more people to weed etc instead of using pesticides"

"...The possibility of charging a levy on all car and motor bike users in the borough (all motor vehicles, even if electric, both for personal and professional use) could be thought of, with an exception for disabled residents"

Infrastructure

There were a number of suggestions to invest in infrastructure. Comments included being more selective with projects rather than "vanity projects". There were also comments looking at the

planning, encouraging partnerships with developers and not letting plans for infrastructure get blocked

“...Bring back partnerships with developers to invest in our neighbourhoods - like the labour council in Hackney who has brought very good quality homes to areas like Woodberry Down”

“...Stop loud minority groups blocking regeneration plans that would bring new homes, business and jobs into the borough to benefit the wider community e.g. Wards Corner”

Detailed Findings – Q7 – Equality

Residents were asked whether they thought there were ways we could narrow the gaps in life chances and opportunities available to different groups of residents in the borough. Their suggestions are outlined below:

Children	1
Environment	7
Infrastructure	6
Resident Support	7
Parking	1
Housing	4
Digital Services	2
Finance	1
Council Assets	1
Public Safety	1
Organisational Structure	1
Schools	11
Roads - CPZ/LTN	2
High streets	1
Economy	4
Resident Engagement	10
Inequality	7
Helping the homeless	1

Resident Engagement

There were many comments on how the Council could work to narrow the equality gap by engaging more with the public to ensure everybody has an opportunity to have a say in how the Council is run. Comments included making a better use of Haringey People and the Council's relationship with the Bridge Renewal Trust to ensure that residents were kept up to date. There were also comments asking for more engagement with disabled and disadvantaged residents. Respondents also expressed a desire to see more co-production and events which could celebrate people from different backgrounds in the community.

“...Engage more with disabled and disadvantaged residents. Don't assume that you know best, when you carry out consultations take more notice of what residents say”

“...Listen to CLPs and to community groups involved in different areas - racism, rights of disabled people and people with autism. Listen”

Environment

There were different environmental issues where people felt that certain areas of the Borough were worse off than others and addressing this could close the gap between areas. There were comments with regards to which areas have parks and green spaces in them. There were also comments about the impacts of car travel (particularly on those of the population who are well off) and the possibility for looking at the Transport Hubs in the Borough to help combat isolationism and support interconnectivity across Haringey for all residents. There were also suggestions to focus on reducing the domination of cars in general.

"...The negative impacts of car travel - emissions, road casualties, physical inactivity and congestion - disproportionately affect those less well off. More should be done to reduce car travel"

"...It's the little things that matter, create a better environment, less pollution, less speeding cars, clamp down on public disorder"

Infrastructure and investment in local communities

Some respondents to the consultation sometimes felt that changes in the borough risked pushing existing residents out of the borough or widening inequalities, but also felt that there were opportunities associated with new developments, if resulted in benefits to residents. There were comments highlighting the perceived 'over-gentrification' of areas such as Bruce Grove. Suggestions followed for developers to make higher contributions to the communities. Comments also mentioned using these funds for local issues rather than decarbonisation grants.

"...Maybe institute a gentrification tax in Bruce grove. The poor working class are being pushed out of an area they have lived for years. And again, more money needs to be used for poor working-class children, not on decarbonisation grants"

"...Developers should make higher contributions through s106 which would improve revenue. Encourage successful academies to set up school branches here"

Access to advice

Access to professional advice services were seen as a ways of reducing inequality in the borough.

"Access to professional assistance/advice is limited in the poorer areas in the borough."

Access to public services and leisure

Ensuring access to public services and leisure facilities was seen by consultation respondents as a key way to help support the most in need with an aim to being able to close the economic gap between the residents of the Borough. This included suggestions relating to for nursery services along with breakfast and after school clubs along with wider community services.

"...Offer more free things for families living below the poverty line. Free days out, free gym, free swims, free outings, free music lessons, etc"

"...More resources for child day care, schools, youth and community services in the east of the borough"

Education

There were a number of comments about tackling inequalities in educational opportunities for the residents of the Borough. Within these comments was a focus on younger students within deprived neighbourhoods. There was a request for a general raise in the Education budget. There was also an ask to look at tackling the issue with young black boys being expelled from school.

“...More funding for catch up classes for children who have fallen behind during the pandemic must surely be a priority”

Housing and homelessness

Respondents made a number of comments relating to the role of housing in increasing equality of opportunity, including suggesting the use of council assets to accommodate homeless residents. They also suggested more investment in targeted work to street homeless people.

“Targeted work to reduce number of homeless people or rough sleepers that are very apparent on the length of Wood Green high street. In this day and age, the council should be looking at their empty buildings and opening them up as shelters.”

Detailed Findings - Full list of responses

In this section we include all direct responses from the public received in response to the consultation. These are included for further information and transparency.

Q4 – Which proposal do you support?

Increase bin collections
Increase police presence on street
Is there a requirement for so many council buildings too? Restructure & sell off ones not needed
Reviewing Council Teams & Final salaries / pensions. Seems to be hugely inefficient and a huge overhead for the cost.
700,000 for protecting homes from flooding
A fund to tackle gang violence in Haringey. Specifically, the rivalry between the youth of Tottenham and Wood Green. This has gone on for too long and is just as important as the green issue. Which seems to have jumped above the violence that has gone on in Haringey for the last 20 years. We should far angrier that this has been allowed to happen in Haringey.
Acquisition and retention of buildings contributing to a stimulating streetscape/local character of the area (e.g. allegedly redundant police stations), with a view to transforming them to improve provision for the local community e.g. conversions to add to council housing stock; multi-agency drop in centres; arts and skills teaching.
Additional funding for a properly structured, regular gulley clearance programme as proposed by Cllr Chandwani. This is imperative given recent experiences in the Borough.
Additional resources for adult and children's social care
Anything else is a want,
Basic needs to support life are food, water, warmth and a roof over one's head.
Be involved in mitigating the danger of the reorganisation of CCGs to Integrated Care Systems and Integrated Care Boards.
Beware of increased privatisation - private interests on ICBs.
Bin collection every week instead of fortnight
Bringing services 'in house' i.e., council employing its own workforce in housing maintenance, rubbish collection etc
Capital investments in our schools - such as the long promised not delivered fortismere sixth form block.
clean the drains

Cleaning the drains
Clear the drains!!!!
Clearing blocked drains to prevent severe flooding to residential homes and businesses as seen in the last few years.
Clearing the drains.
Community building
Council homes
Council needs to be more concerned about healthcare and social care.
Current CPZ renewal & parking permits process not fit for purpose
Cycling / walking paths, LTNs and pedestrianized zones
Cycling and removing passing traffic through Tottenham
Deal with recycling especially of glass. I do not believe the council recycles properly
Does everyone in Haringey have their needs met?
Drain cleaning
drain clearance
Drain clearing. Fly tipping.
Drainage clearance
Drainage to ensure no more flooding
Education about climate change, adapting Haringey to the changes that will come as a result. Flooding prevention should be using latest environmental methods such letting rivers have more natural edges (see studies in Wales as examples). Also fly tipping and the impact it has on community.
Ensure all residents' basic needs are met i.e. food, warmth, water and a roof over their heads. Anything else is a want and has lower priority.
Flood defences e.g. drain clearing
Flood mitigation and drain cleaning.
Flood prevention, tackling violent crime and anti-social behaviour, more youth services
Flood protection, it's only going to get worse. Drains to be cleaned out/unblocked. Infrastructure works to bottom end of Moselle near Creighton Road allotments which causes terrible flooding. Last summer the flood was very fast and very dangerous.
Flooding prevention
Flooding protection
Flooding protection
Flooding protection

Funding for the cleaning of drains to prevent unnecessary flooding
Gullies and Drainage
I came on here to support the proposal on drains but it was not listed. This consultation is leading residents to support their preferred proposals. Sham
I cannot see anything in the proposal about libraries and museums other than the pop up idea
I fully support Cllr Seema Chandwani's proposed annual budget for regular, coordinated gulley and drain clearing across the borough. This is critical given recent flooding events and to comply with statutory obligations.
Improve roads and traffic flow, ban LTNs and stop part time road closures.
Improved pedestrian connectivity and interconnected green spaces. For example the waterway on the Haringey Ladder making green spaces more accessible and the streetscape more walkable (improved pedestrian crossings)
Improvement in Send and Youth Justice facilities at operational level
Improving leisure centre resources such as Tottenham green leisure centre which is run appallingly badly by the current contract holder!
In order to support a greener Haringey, there is an urgent need to insulate Council houses and tackle energy waste
Increase public health provision.
Install lights between the entrance into Finsbury Park and tennis courts - it's unsafe and scary to walk there as a lone female, especially in winter.
Invest in addressing the antisocial behaviour, particularly at Wards Corner / Seven Sisters station / West Green Road.
Invest in broader services which benefit all residents, such as our high streets, less cars and through traffic, healthier air and less noisy environment.
Invest in high streets to make them fun destinations, not just for shopping. Remove betting and pound shops and replace with interesting activity and community facilities
Investing in better cycle paths as opposing to the existing bikes painted on roads that are often used as parking spaces.
Investing in the drainage systems
Investment in facilities and services for families
Investment in libraries
Investment in mental health support
Investments in public assets parks...
Money should not be wasted on the civic centre apart from routine maintenance, this is a shameful waste of public money when essential services are depleted. This money should be put into all those services you are demanding extra money on our council tax for. Go back to basics and get priorities right for local residents as you are employed to do. Take more notice of the way your residents are suffering and direct the resources there. Do to pretend increases in council tax are for social issues then waste it on the civic centre. Don't ignore people the way you have over LTN's. This is not acceptable from a council

More budget for drain cleaning and maintenance
More effective recycling and waste management.
More financial support for schools. Schools in the east of the borough should be able to stay on for the sixth form at their school, not have to change if they don't want to.
More flood supports; investment in more LTNs
More investment in flooding prevention.
More on walking and cycling infrastructure and bus priority measures
More police presence on the streets.
No gambling shops. there are a lot of gambling shops on Tottenham. How the council let that happen. Can you please provide youth clubs?
Pavements and toads
Please help with the flooding in Haringey, especially around Park Road/Victoria Stakes area N10.
Public Health and employment grants for businesses
Reducing street crime and increasing feeling of safety
Repair streets and pavements, maintain drains clean. Enforce a certain cohesive look to outside of businesses on high streets. Create more space for pedestrians on high streets. Build more children's playgrounds
Research in to LTN in the east of the Borough.
RESIDENTS ENGAGEMENT, WHICH WILL NOW BE APART OF HC.
Resources and funds support for Carers and young people with mental health issues. Mentors, days out, support groups, Carers funding for days for carers to be pampered etc.
Road Casualty Reduction for cycling infrastructure
SEN - currently local offer is not existing. It would be great if local offer is actually working.
Support for people tackling knife crime.
Support for unemployed underprivileged people.
supporting businesses
Supporting businesses to recover from the pandemic
Tackling crime in general, particularly around Seven Sisters
Take social care in-house as much as possible.
That all existing proposals are treated equally
The building of council houses for rent.
the crime on local estates is becoming ridiculous
The Highways Drainage Cleansing and maintenance proposal. Our house was flooded last year due to the lack of drain maintenance. It has caused us a lot of worry and stress and we have only recently been able to move home. The drains need to be properly and proactively maintained to prevent this happening to other families.
The problem of drains not being cleaned and flooding when bad rain. Corner of Broad Lane and High Road for example
Tree planting and wildflower planting
Unblock the drains

Unblocking the drains.
You should be monitoring council houses repair. My neighbours had cladding for more than 6 months and there were only a couple of days of work
Youth clubs, sports centres for young people to be off the streets.
Youth work programs, affordable housing

Q5 - Are there any proposals you think we should not progress and why?

"Support to tackle violence against women and girls" I believe that should be slightly changed to support to tackle all violence regardless of gender or sex, this will help us to build a fair community!
£20m for road maintenance, £8m for reducing casualties. Reduce road maintenance and increase reducing casualties. Spending the other way around would be my suggestion - £8m on road maintenance £20m on casualty reduction.
All of the above are crucial in providing decent social care for residents in need
Also the money cutting off streets causing congestion is not only unnecessary money as it will cause more pollution with cars stack in traffic.
C P Zs are very unpopular and do not solve problems of residents parking. They only annoy the tax payers you should be getting onside.
Civic centre - the council has many other buildings and more people are working from home. The council should make it surplus to requirements
Crime and HMOs
Decorating shop fronts for the sake, a complete waste of money, shame on you Haringey
Do not progress the 54m civic centre plan that keeps growing in cost.
don't see the relevance of the Civic Centre
Giving any money or housing to drug addicts and drug dealers.
How has Adult Social Care increased yet again, even in light of COVID-19 deaths hitting mainly the old?
I feel it is ok for the parks to look nice but is not necessary, the money could go to better causes
I support investment in digital transformation but think it needs to be offset with savings elsewhere, offices and physical council infrastructure for example. Similarly I support investment in social care but think that should be strategic, supporting new models of care and investing in preventative services.
I think all of these proposals are hugely important and need adequate funding.
I think that social care and the nhs are being enormous budgets (especially during covid) to the detriment of other services. Local businesses cannot survive. Council tax incredibly high for very little actual council help during the pandemic. I'm incredibly disappointed overall

In all honesty, all the tech update stuff you've done recently has been a disaster - e.g. the parking permits updated website has made it impossible for us to re-order permits. So I wouldn't make that a priority - other than fixing the mess that's already there.
internal digital infrastructure.... Getting the right staff structure in is more important
Invest in Rubbish disposal because this is really going down the drain in Haringey! Only one pick up every two weeks will encourage vermin and is a health risk.
Investment in cleaner greener Harringay. This just means messing with the roads & making life more difficult
Low Traffic Neighbourhoods. Pay back the TFL money and abolish plans for the LTNs. Stop prioritising and spending so much money on walking and cycling initiatives, this is not helpful or feasible for a huge proportion of residents, especially the disabled and elderly.
LTN (Low Traffic neighbourhood) in the borough are causing more traffic and pollution and they simply move traffic from one road to another. They do not work and a lot of money has been wasted on this.
LTNs will be a complete disaster, I know these are funded by the DoT but they are a crazily bad idea. We had all the trial we need when Wightman Road was closed/filtered during the Bridge works a few years ago. It was a complete and utter nightmare. Similar to the hideous trial in Crouch End. In my opinion the idea of LTNs are flawed, we live in London a brilliant and diverse city, not a village.
LTNs. They concentrate traffic on roads that can not cope with the additional traffic. They stop emergency vehicles. They reduce property values of homes outside the LTNs
More housing - there are already lots of developments being built in overcrowded areas (Tottenham)
No
No
no
No
No
No
no
no
No
no
No - all of them are important, but it depends what the actual result of some of these proposals are, they are vague.
No LTN. If you are investing on LTN please do not do it before further consultations. LTN produce more air pollutions rather than reducing, because there will be traffic jam, cars will be on traffic more, thus consume more petrol and produce more pollution. I read all news about LTN in Hackney and Islington and traffic is worse there now.
No they are all essential

no.
over investment in one specific area. The 'nodal' strategy doesn't improve sustainable, walkable, bikeable city life, and increases longer distance transport habits. We should not over invest in making Wood Green a hub for all activity but look at investing in things like street cars to services linear and equitable access and high-street investment. Look to sustainable (and CHEAPER) options to increase connectivity for women, children, the elderly and people with disabilities through transport like streetcars as opposed to making buys destination hubs that service suburban commuting.
public assets could be put on hold during this winter and the money spent on public needs.
Refurb if the civic centre. Money should be spent on something that benefits residents and businesses more directly.
Refurbishing and extending the civic centre. Low traffic/ quieter neighbourhood proposals MUST be rethought for a more intelligent solution as they do nothing but increase social divide and increase pollution and congestion.
Revitalise Wood Green high street to help boost local economy. It's clear in future people will limit their commute for work and will want to spend their income locally. Please create a place for locals to spend their money locally.
Significant investment in our school buildings - £105m. Perhaps a little less and make a MTFS against this.
Strengthening council's digital services
Tackling violence ...this has got to be a joke...what about violence against men ,what about most deaths that come from male violence is men ,,sort out your equality
The £54 million you intend to spend on the refurb of the civic centre and unnecessary Annex that has been given the go ahead. COVID 19 has made full time office work a thing of the past. Hybrid working IS the new norm. So the refurb work is totally unnecessary. You are supposedly the party of the working class, all that money could be used to do so much good for the poor working class people in Tottenham.
The development of LTNs
The drive to allow property development around Tottenham Hale is swamping local services. Maybe, reduce the amount of permitted development within such close proximity of one another?
Time to stop punishing drivers
VAWG as money better spent supporting services to do this work
Violence against women & girls. It's a statistical fact that men are the biggest victims of violent crime. Treat all genders equally.

You should review the proposed highway maintenance spend and look to spend less on resurfacing roads specifically, except where this is safety critical. This comes at a high cost and makes no material difference to people's incentives to use different modes of travel. If you must spend on road maintenance for cars, this funding should come through surcharges on residential parking permits and pay and display, as they are the primary beneficiary of this investment.

Q6 – Whilst this budget includes no new savings proposals, the future funding position of the council remains uncertain. Are there any changes or proposals you think we should consider in future which might save money, generate income or achieve even better value from council spend? E.g. through greater use of innovative technology.

Could tip waste management team
Donate extra for library services
Invest to Do the statutory work well instead of putting money into fluffy stuff like the single person hub in Tottenham which is just a vanity project
Optional charge for park usage which could help pay for maintaining toilets
All council owned lawns, grass verges, green roundabouts etc to be left to grow and mown only twice a year to increase biodiversity and cut back on maintenance costs of monthly mow.
Ask Boris to come up with some money after all it is the government's responsibility to fund the councils with our taxes.
Better use of technology and using Haringey residents to fulfil Haringey contracts.
Bring back partnerships with developers to invest in our neighbourhoods - like the labour council in Hackney who has brought very good quality homes to areas like Woodberry Down. This would help with the infrastructure levy into Haringey. At the end of the day no one benefits from run down ghetto neighbourhoods.
Consider the digital divide and making services available to those who do not have access to technology
Consult more with vulnerable groups mental health for young vulnerable adults etc
Could we use some council assets to hold markets, festivals, etc.
Council tax should be raised to provide services to Haringey residents. I don't expect my council to run for profit schemes, even worthy ones. Obviously good management is needed both to prevent waste and to ensure services are well provided.
cut business rates for shops and independent retailers

Cutting council service budgets ultimately leads to other costs down the line (such as those relating to poverty, poor health, badly maintained environment). Therefore I do not support cuts to council budgets and hope the council is doing all it can to lobby central government with other London boroughs.
Deal with council debt and stop wasting money on ridiculous schemes like new logos silly decorations
ditch the new CPZ in Muswell hill
Do statutory body staff pay business rates to park on Council property?
Don't spend lots of money on logos
Employing a direct labour force first to carry out repairs on council properties and longer term to build council homes yourselves.
Ensure any empty properties including flats above shops don't stay empty. Fines if not used
Evict all drug addicts and drug dealers from council properties.
Exactly more resources in the area of digital technology to make the services more efficient and effective
Fines for street urinating especially by Seven Sisters Tube, High Road, Earlsmead Road
Flatten the management pyramid and spend savings on social care.
Focus on the development of employability skills and education. The school attainment results of secondary schools on the East side of the borough.
Help organise street cleaning that residents could get involved in and also the same for helping to maintain parks. For revenue - higher charges to the Tottenham Football club for post match cleaning, etc. since the managed to get a stadium without building another tube line. Also developers - why are they not charged more as part of s106 and infrastructure contributions? Please action this given the amount of development in Tottenham
Higher parking charges, both residential and pay and display
I would like to see the council invest in preventative infrastructure and environmental measures e.g. new and existing builds to include solar panels, triple glazing. Also use some of that parking ticket revenue to adapt our street lighting to include electric vehicle charging points; this would use existing street furniture instead of cluttering up our roads with yet more unsightliness and reduce our carbon foot print.
I'd support less regular waste collections in an effort to go greener and save money. Aware some other councils have done this.

If the future funding of the council remains uncertain why are you planning to waste money with unessential works at the civic centre, when that money can be of much greater use and impact on essential services? Getting priorities right, ones that put your residents first and foremost will achieve better value and save money that would otherwise be for an ego project. You are throwing away money that is supposed to be used to 'narrow the gaps in life chances and opportunities for different groups of residents in the borough'.
In the long term this would attract more families and working people which builds the tax base for the council.
Incentivise the small businesses to open on the high street on Bruce grove. Grants for creative businesses. Put speed cameras around Tottenham Hale and Northumberland park, and start fining people. Allocate more enforcement officers to put parking fines on illegally parked vehicles in the evening.
Income generation from commercial events or filming activities such as unit bases or providing studio space. The film industry is booming and more could be done to attract revenue from it.
Increase on street parking charges especially in the west of the borough.
Increase the Zonae car park annual levy and subsidise and encourage use of Zip cars.
install solar panels on rooftops of willing households rooftops and garages to generate income from national grid, perhaps give the householder 25% off annual their electricity bills but install panels free of charge.
Interactive multi use public spaces, i.e. local market, even spaces for youths and local community programs
Introduce cameras to enforce speed limits
Invest in circular economy ideas and technologies.
Invest in infrastructure so people can talk to council staff.
less grass mowing throughout the borough, let it grow!
Less money spent on LTN's and cycle and walking schemes. Please get into your heads, a VAST amount of people do not, and will not cycle. And I hate to hark back to this, but working class people DO NOT CARE about LTN's and active walking and cycling. I have spoken to many working class people like myself, and unequivocally beyond a shadow of a doubt, they do not care about this. They want something that is tangible and impactful that will raise them out of poverty, not LTN'S.
Less outsourcing of council services
Look deeper into preventative maintenance rather than wasting money on fixing things later
Look for opportunity to monetise some parts of services or to add the ability to "tip"
More active parking controls. Raise cost of residential permits and base on vehicle weight as well as emissions.

More children and youth centre and invest on care for elderly people.
More council house,
More insourcing.
More services move to online
More speed tickets, fly tipping monitoring and enforcing
Moving towards computer based solutions for as many tasks as possible
No
Not just technology, but valuing people skills .
Not sure
R&D is key, and i believe that as it states that the funding of the council remains uncertain, its in the council and residents interest to spend the funds wisely.
Reduce management numbers and use savings to be used to increase services
Reduce the number of HMOs and focus on family homes and improving the quality of homes through more levy on landlords (especially if they have a large portfolio).
Restructure of staff to free up / sell unrequited buildings (less rent/maintenance/staffing burden) + potential sale income if sold
Review your business process - find the bottlenecks and eliminate them - look at the workflow solutions
Run more for-profit schemes and events.
See above answer. Save a fortune by not implementing the LTNs, they will only benefit a small proportion of residents, depending on where you live and will inconvenience the majority, whether they are car owners or not. They are not the answer to air pollution.
Sell off council homes to council tax paying residents
Sell off more of the Council's assets. Ideally to build more houses.
So add an online payment option to reward good service and this could go in a pot and use for extras
Solar panels to be installed free of charge on houses to generate income from national grid.
Stop loud minority groups blocking regeneration plans that would bring new homes, business and jobs into the borough to benefit the wider community e.g. Wards Corner.
Stop using contractors who make profits. Direct labour to carry out maintenance of estate. Remove levels of in needed management. Manage staff better
Stop wasting money on offices that you don't need.
Stop wasting money on paying far too much on buying overpriced office buildings ,just stop all nonsense building projects like Wood Green civic centre, stop all Haringey vanity projects
Stopping private sector in social care and healthcare would be cost effective in long run - focus would be on health and care not profit.

-Streetcars (they generate investment along the route and payback the cost through property and sales taxes - look at Portland Oregon as a case study). They are sustainable and would set a precedent for London's transportation future. Look for Linear or circular routes that connect communities for example run a streetcar line from Wood Green along Green Lanes past Finsbury Park up A103 to Crouch End and back to Wood Green.
Stronger existing law enforcement through fines (parking, driving, fly tipping and general nuisances) . You should see Berwick Road on a Saturday night.. A good way to fund the council!
Tech to reduce staff
Technology should be used to save time and support be given to those that require it
The council can cut costs and generate income for the local economy by bringing as many contracts in-house, procuring services locally, and getting out of costly PPI contracts.
The Council has already raised parking charges but should maybe revisit this.
The council should stand up to government and publicly complain if funding isn't enough to cover basic standards
The possibility of charging a levy on all car and motor bike users in the borough (all motor vehicles, even if electric, both for personal and professional use) could be thought of, with an exception for disabled residents.
The seeing through of the new digital programmes discussed to improve effectiveness. Also, an improvement in the support services available to new and developing businesses.
There are a lot of inactive adults living in my area, helping people getting into work would help.
This brings in revenue
to double check if the people who are entitled to receive benefits are really entitled for that and there are no frauds or scams out in place to steal the public money.
Upgrade of website and platform architecture to deliver better online services and save money in the long term.
Use green energy employ more people to weed etc instead of using pesticides
Wider use of parking charges, road pricing and cameras to detect driving offences.
You would save a few quid if the parking permits (resident and visitor) went digital. Likewise, if council properties were better maintained for small measures, major refurbishments may well be less frequent

Q7 – we also have a commitment and responsibility to make Haringey a more equal borough. In considering our proposals, please let us know if you think there are ways

that we can narrow the gaps in life chances and opportunities available to different groups of residents in the borough.

Engage more with disabled and disadvantaged residents. Don't assume that you know best, when you carry out consultations take more notice of what residents say.
Run your own version of Sure Start. Focussing on our youngest children and their families is the best way to tackle long term inequality.
Run good schools, manage childrens' services to prevent deprivation, offer help/support services for vulnerable groups e.g. youth services but housing has to be a priority
Stop excluding young black boys from school. Schools should not be able to exclude the proportion of the schools population without oversight from an independent third party. And council should provide paid apprenticeships and internships. As well as more opportunities for entry into trades for those not academically inclined.
An issue for the Bridge Renewal Trust members
Make meeting in different languages. Some people do not know how to use zoom or digital technology, so many people cannot attend online meeting. Lack of language and lack of having digital skills knowledge are the barrier for BAME people.
Secure better investment via S106 agreements that benefit the existing community
Feed poorer students 365 days a year, help foodbanks by trying to co-ordinate support of businesses and the foodbanks, support businesses by introducing 20 minute car parking spaces
Street Cars! As above. Node transport hubs are isolationist. Interconnectivity, Walkability, Sustainability.
Fix the Haringey borough website and set up a news alert app so people in the community can track what is going on outside and start having conversations about how to make the community a more equitable place to live.
Am glad to see directing funding to tackling VAWG being made a priority, similar (and proportional) funding could also be spent on reducing violence based on sexual orientation and identity. Also the climate crisis affects poorer residents more, there could be a focus on combatting that.
The only thing that stops people from having the same chances as others is money ,,The top 1 percent need to start sharing but we all know that's not going to happen
Youth support for knife crime and crime in general.

Targeted work to reduce number of homeless people or rough sleepers that are very apparent on the length of Wood Green high street. In this day and age, the council should be looking at their empty buildings and opening them up as shelters.

You need to see domestic abuse as less gendered- you still mention VAWG when all the research suggests that violence against males is as prevalent, but better hidden

Poverty is the problem rather than inequality, investing in education and STEM programs will be really beneficial if the goal is to be more "equal", by allowing every resident in Haringey to have the possibility to have good education and STEM programs, the community can build up that can later on be applied in the workplace and in the community, we create a better and more "equal" society if the members of the community succeed financially hence creating a stronger middle class, that allows all to be more equal. :)

One online database of all services (health, social care, etc) and how to access them. A regular guide in Haringey People magazine (which goes to all households) could be published and would include the website address. Possibly this website could have translation abilities?

Address the stark racial inequalities in the borough. Look at the clean tree-lined streets in 'white' areas such as Highgate & Muswell Hill v's the derelict buildings, graffiti and antisocial behaviour on the streets at Seven Sisters.

Encourage local outsourcing to small businesses. Are there ways to increase this under UK law?

How come there's no decent parks/investment in parks / public spaces up in Muswell Hill?

Focus on the younger people and education at primary and secondary schools. Introduce more opportunities for children on the East side of the borough; the exposure to tennis and the work of Haringey music service is great and we need more of that to improve the prospect of the children coming from deprived and workless households. Educate single and young parents and create positive support groups for them.

Theresa May has demolished most of the community resources during her short reign by cutting funding. We need more community centres where especially young people can have a safe place to go and good youth workers that can help them to develop. She also has made big cuts in providing services for people with disabilities. This needs to be looked at!

Access to professional assistance/advice is limited in the poorer areas in the borough. Many organisations who are trying to narrow the gap themselves have a narrow view of the residents' expectations and what can be achieved; hence very little changes over time.

I think more support should be given to perpetrators and potential perpetrators of domestic violence, I know this sounds counterintuitive, but I feel if they're given better access to therapeutic and social support, this might reduce the impact they have on their families.
Invest in local education
Free breakfast/after school clubs only for working parents
women and girls are important. Single sex spaces are incredibly important.
Work with more Grass route organisations listen, encourage more large companies to come to Haringey , less deluxe flats more affordable homes. Better communications , better understanding , from councillors . Come and see what is going on . Residents Association. Tenant Advocates community projects.
Stop the divide between Crouch end / Highgate / Wood Green/ Tottenham
More joined up thinking .
To be genuine in your proposals with regards to this issue starting with a more effective and sincere approach to coproduction.
Hold more local events geared to celebrating the different communities and ethic backgrounds, every month a new ethnic even
More fund into education and increasing chances of employment
Offer more free things for families living below the poverty line. Free days out, free gym, free swims, free outings, free music lessons, etc
Increase the education and training budget
1. Use of Haringey People magazine. 2. Involve the Bridge Renewal Trust membership to promote a directory of services website and keep it up to date. This information to be published in every edition of Haringey People magazine.
More funding for catch up classes for children who have fallen behind during the pandemic must surely be a priority.
Would be good to see more free activities for children out of term time - the new river leisure centre activities that were free for those who couldn't afford it but not for others is a good model. And measures to support new parents - what does good look like - some parents need more advice / support / intervention than others. Some of the recent child abuse cases have been harrowing.
By procuring locally to support local business, by investing in youth programmes (such as schemes to link young people to local business to provide work experience), by unlocking council owned assets for the temporary or permanent use by local businesses and initiatives to trial and start projects that benefit local communities.

This has to done by more resources for innovation in schools and infrastructure in and maintenance of communal areas like parks and community centres. Every new development must include a communal meeting place so people can get together socially and to organise. More support for all the many solidarity/support groups existing in Haringey.

redistribute council tax

Listen to CLPs and to community groups involved in different areas - racism, rights of disabled people and people with autism. Listen.

Maybe institute a gentrification tax in Bruce grove. The poor working class are being pushed out of an area they have lived for years. And again more money needs to be used for poor working class children, not on decarbonisation grants!!!! Put more resources to level up Tottenham so it is comparable to Muswell Hill and Crouch End

Bring investment in from developers & attract actual businesses to setup here and employ people - good housing, education and safety from gangs comes when investment comes in to spend on helping people.

If the council has no money constantly, how can you help the poorest people?

Low traffic neighbourhoods have proven in Enfield to increase the social divide, increase gaps in life chances and opportunities and DECREASE quality of life for the vast majority of residents especially those already disadvantaged, the elderly and disabled. They have proven to increase isolation, mental health issues and increase pollution. Therefore if you go ahead with LTN's (because you're trying to please Enfield) to are being hypocritical and going against 'your commitment and responsibility to make Haringey a more equal borough'.

Anyone who doesn't own a car is disadvantaged by the hostile environment engendered by permitted pavement parking, speeding, narrow pavements, broken pavements, almost non-existent bike infrastructure.

Better opportunities to schools and children is lesser privileged areas to provide more equal opportunities in education

Developers should make higher contributions through s106 which would improve revenue. Encourage successful academies to set up school branches here

Action against cars, especially large expensive SUVs, would be equitable.

Still a huge difference between those that have and have not. No more High Rise apartments unaffordable for local residents
Evict all drug addicts and drug dealers from council properties.
Progressively reduce the domination by the motor car of the borough environment.
Every resident is of equal value so employ people on merit not for positive discrimination. Should always employ the best person for the job.
Include all nationalities.
The negative impacts of car travel - emissions, road casualties, physical inactivity and congestion - disproportionately affect those less well off. More should be done to reduce car travel
More youth services, mixing communities and housing council tenants in the new developments instead of in separate council blocks, creating more job opportunities, not giving licenses to gambling shops, better mental health services, more community events, creating safe spaces e.g. in parks
By using grassroot entities to better interact with local communities.
More investment and attention to Northumberland park - cleaning up the area, LTNs and reviewing so many tenanted properties without enough waste provisions
It's the little things that matter, create a better environment, less pollution, less speeding cars, clamp down on public disorder. Use technology better to eradicate dumping across the Borough. Councillors need to be more visible and not just posting on Twitter. HMOs are a bigger problem then you think, 8 to a house, those renting tenants do not care, there is a knock-on effect on the streets and neighbourhoods.
More supported employment opportunities
It is more a role of central government to adjust its fiscal policy. Implementing a landlord licensing scheme with actual checks of the housing stock would be great. Equality starts with dry and safe place to live.
Rein in estate agents.
Free nursery for all 2 year olds, free school meals for all.
Free nursery/childcare for all 2 year olds
More accommodation for the homeless and permanent help for those reliant on food banks, help with energy costs etc.
Stop approving all the betting shops in the east of the Borough compared to the west.

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Budget Scrutiny Recommendations 2021/22

Overview and Scrutiny Committee					
Ref	MTFS Proposal	Further info requested	Comments/Recommendation	Cabinet Response Req'd	Draft Response
N/A	General Comment		The Committee were concerned about potential slippage in savings leading to additional pressure on the growth budgets. Cabinet is asked to provide additional assurances around the risk of additional savings being needed over the stated £12m and to also provide assurances around how this eventuality would be addressed.	Yes	The February budget report will provide additional recognition of the risk posed by potential delays in the delivery of the Council's agreed MTFS savings.
N/A			The Panel noted that the borrowing costs to the General Fund revenue budget were projected as £29.3m in 2027. The Committee requests that Cabinet comment on how the risk of additional borrowing costs would be managed. If additional money is needed to	Yes	The budget report to Council will describe how the overall budget risks are addressed in totality including the cost of debt.

			cover increased future borrowing costs, will this necessitate additional savings?		
N/A	Budget Briefings for panels		The Committee noted that the briefings in advance of the budget scrutiny meetings had included a lot of detail on Q2 of 2021/22 and on the performance indicators. The Panel recommended that in future years, briefings on these matters should be received separately and that the pre-budget briefings should concentrate on the following year's draft budget and the updated MTFS.	Yes	The need for a clear distinction in all discussions, between the in year budget position and future years' positions is noted.
N/A	Format of reports		The Committee noted that the reports in the budget scrutiny agenda packs included information about the budget areas for all Panels. To make the information easier to review, the Committee recommended that the main budget report provided to each Panel should be tailored to include only the main headline	Yes	The committee's comments are noted.

			<p>figures/tables for the overall budget/MTFS and then the detailed information specifically relevant to the policy area of that Panel. The Cabinet report should be included in the agenda packs separately as an appendix.</p> <p>The Committee also recommended that the capital section of the papers provided to Panels should broadly follow the same format as the revenue section and should include the capital expenditure plans and the financing costs relating to the capital spending.</p> <p>The Committee also recommended that risk factors associated with the budget should be highlighted in the budget report to the Panels.</p>		
N/A	Format of reports		Some of the language used can be quite technical at times.	Yes	The committee's comments are noted.

			Future reports should be written so that co-optees and members of the public can understand them. The Committee requested that the be written in plain English and that terms are explained in the report in brackets the first time they are used. An example given was what was meant by a budget gap?		
N/A	Format of reports		The Committee requested that future budget reports contain an executive summary of the whole budget (both revenue and capital). It was suggested that this should be no more than one or two pages in length.	Yes	Officers will review the style of the existing introduction to the report.
N/A	Format of reports		The Committee would also like to see the use of sub-indexes in the PDF versions of the budget report to make it easier to toggle through the different sections of the report during budget meetings.	Yes	The committee's comments are noted.

N/A	Format of reports		In future, where capital bids have multiple elements to them, the Committee requests that these be set out in more detail in the agenda papers.	Yes	Officer will look to ensure that capital programme statements contain the appropriate level of detail.
Housing and Regeneration Panel – Economy Priority					
Ref	MTFS Proposal	Further info requested	Comments/Recommendation	Cabinet Response Req'd	
<u>Capital Budget</u>					
N/A	Appendix D - New Capital for 2022/23 MTFS Programme. Civic Centre Annex		That Cabinet provide further detail on how the Civic Centre project fits into the Council's wider accommodation strategy, including the future use of the Station Road estate.	Yes	<i>LBH's ambition is to move to be a more agile organisation, with staff working under a flexible 'hybrid' model, which will see working locations for staff split across some combination of office, community, and home. The ambition to move to this new working model will require LBH to provide a flexible and collaborative office working environment for its staff,</i>

					<p><i>which enhances the positive aspects of in-person interaction, enables work and activity that is harder to deliver remotely, and supports staff wellbeing. The cabinet report in January 22, whilst focusing on the Civic Centre the report, highlighted in the business case that that it was part a wider accommodation strategy. Further work is taking place as we look to increase the amount of area and locality-based working over the coming years to ensure that our front-facing services are delivered as close as possible to the community, in line with our objectives to build community resilience and work in partnership with our communities.</i></p>
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					<i>Any subsequent decisions on the future usage of buildings in Station Road, beyond those already agreed, will be subject to their own individual business cases, but in the context of a placemaking approach so that the area can reach its full potential at the heart of Wood Green.</i>
429	Site Acquisition (Tott & Wood Green). Wards Corner Market		<p>That Cabinet provide clarity around what provision there is for any potential future contribution to this scheme regarding investment in the long term future of this site, following the withdrawal of Grainger.</p> <p>The Panel notes that this site will require significant investment and that TfL have, to date, only committed to invest enough funding to make the site safe. Further investment will be required to make the market site viable.</p>	Yes	<p>The financial responsibility for the Market resides with TFL.</p> <p>With regard to the market building (and adjacent TfL premises), TfL have signalled that they are to run a process to secure a community partner to take forward the development of their interests.</p> <p>It is understood that TFL will also undertake as yet unspecified works to the building.</p>

429	Site Acquisition (Tott & Wood Green). CPO – Wards Corner		<p>The Panel recommends that if the funding earmarked for the CPO were to remain in the capital budget, and if the Council is minded to carry out the CPO without Grainger, then this allocation should be used for maximum provision of council homes at council rents.</p> <p>The Panel request assurances from Cabinet that this future outcome for the site will be fully considered.</p>	Yes	<p>Capital programme budget 430 (not scheme 429) makes provision for the CPO costs subsequently to be funded by Grainger which has not been utilised in this year.</p> <p>The Cabinet notes the committees views regarding provision of Council homes on this site.</p>
N/A	HRA Capital Budget	Further information/written clarification is requested around why borrowing constitutes such a significant proportion of the HRA, particularly in Years 1, 2 & 5. The Panel would like assurances that the		No	

		<p>borrowing costs are sustainable and that the Council is not at risk of being unduly impacted by any future rise in the cost of borrowing.</p> <p>RESPONSE:</p> <p>Borrowing is one of several sources of funding capital investments in the HRA. The HRA financial plans have been developed to apply borrowing after all other sources of funding (such as grants, market sales receipts, etc) have been recognised. In the earlier years, where capital investments are significant, it is expected that the level of borrowing will be higher. Grants are recognised 50%</p>			
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		<p>start-on-site and 50% on completion. Market sales receipts are recognised after completion. These all play a part in the profiling of the borrowing. This plan has been built with the assurance that year on year there is enough cover for the levels of borrowings proposed in the financial plan.</p> <p>Our future interest rates assumptions are based on information available at this time and information from our treasury advisers. The HRA financial Plan is constantly being reviewed (quarterly) – as is the interest rate environment more generally as part of the Council's</p>			
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		treasury strategy. Any significant change to the environment or projections in the interest rates in the future, the plan will be revisited. New borrowing within the HRA is being taken out at fixed interest rates (as opposed to variable) meaning that interest rates on borrowing raised to date is certain over a long-term time horizon.			
Environment and Community Safety Panel – Place Priority					
Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req'd	
N/A	General comment		The Panel are broadly supportive of the budget proposals and welcome the level of investment into the borough. The Panel are particularly pleased to see the long overdue investment into	No	

			the maintenance of the boroughs drains and road gullies, and a commitment that every drainage asset in the borough would be cleaned at least once a year.		
<u>New Capital Growth Proposals</u>					
	Tree Planting - Street & Greenspace Greening Programme.		<p>The Panel welcomes the commitment to invest in its tree stock and noted the aim of achieving a net neutral position. The panel would like to see additional investment in this area, above the £75k per year (rising to £100k per year with match funding) that has been allocated.</p> <p>Cabinet should make firm commitment to a net increase in the number of trees in the borough (rather than a net-neutral position), particularly in light of the historic decline in tree numbers over recent years due to an underinvestment in this area.</p>	Yes	<p>The views expressed are noted, this will be kept under review.</p> <p>It should be noted that the Tree Sponsorship scheme has generated additional funding for the provision of around 250 extra trees and these are currently in the throes of programmed planting. It is hoped that the Tree Sponsorship scheme will continue to have a positive impact in future planting seasons as public awareness and concern over environmental matters increases over time.</p>

	Tree Planting - Street & Greenspace Greening Programme.		<p>The Panel would also like a commitment from Cabinet that the existing inequities in tree coverage across the borough will be addressed. The Panel noted that the overwhelming number of sponsored trees to date were in the west and centre of the borough. This will exacerbate existing inequalities in tree coverage.</p> <p>Cabinet Should commit to ensuring that the east of the borough is prioritised when planting new trees.</p> <p>Cabinet should also make a specific commitment that low levels of tree coverage in wards such as Tottenham Hale, Noel Park and Bruce Grove will be addressed.</p>	Yes	<p>For this season's Tree Sponsorship scheme, there is a reasonably even distribution of additional trees to be planted in the east and the west of the borough. The expectation of contributors to the Tree Sponsorship scheme is that the extra trees to be planted are provided close to where they live or work. The requested commitment is a matter that can potentially be addressed through the emerging Tree and Woodland Policy, as part of the Parks and Greenspaces Strategy under development and due to be discussed in a summit in March 2022.</p>
	Upgrade Parks Lighting		<p>That Cabinet provided assurances that areas of lighting in parks where sections of the park are lit, whilst others are in shadow are looked at as part of the investment in improved lighting. It was felt that this could create a false sense of</p>	Yes	<p>The funding set aside for the upgrade to parks lighting is to address the significant backlog in replacement of lighting columns at or near the end of their expected life, switching to LED lighting and the extension of the</p>

			<p>security for people travelling through parks at night.</p> <p>The Panel would also like assurances that preservation of wildlife habitat will be considered when determining lighting requirements in our parks and open spaces.</p>		<p>central management system technology to the renewed lighting to ensure the correct lighting levels are provided, appropriate to the environment in which they are located and safeguarding the night-time habitats of protected species in particular.</p>
	Road Casualty Reduction		<p>The Panel notes that a large proportion of the active travel schemes proposed are unfunded at present and would like assurances that funding for these schemes will be pursued.</p> <p>As part of the Road Safety Strategy, the Panel would like to see additional investment into active travel, with a particular focus on improving cycling infrastructure.</p> <p>Scrutiny also suggested that Road Casualty reduction did not accurately reflect the nature of the scheme, as it was also aimed at achieving modal shift towards walking and cycling.</p>	Yes	<p>The investment in road casualty reduction is to achieve the Vision Zero ambition which is to have no-one killed or seriously injured in road traffic collisions in Haringey by 2021. The advancement of active travel initiatives (including those identified in the draft Walking and Cycling Action Plan) would be dependent on funding from alternative sources such as allocations from transport for London and Strategic Community Infrastructure Levy.</p>

	Highways Asset Maintenance Programme.	<p>That Panel request clarification on the funding for this proposal. The bid is funded by council borrowing for the first year 2022-23. Thereafter it has been assumed that there will be grant funding available to undertake this work. How robust is this assumption of further funding?</p> <p>RESPONSE:</p> <p>The government's spending review announcements (SR21) made £32bn available nationally for works to roads, potholes, resurfacing and bridges. The detail of how this funding will be disbursed is at the time of writing not yet published, and we have therefore had to make</p>		No	
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		assumptions within our budget and MTFS, and this includes the assumption that this grant funding will be available to finance the capital scheme referred to here. This will be revisited within the next budget round over the course of 2022 at which time it is hoped the detail of government funding have been published.			
Adults and Health Scrutiny Panel – People Priority					
Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req'd	
N/A	General issue	The Panel noted that, despite revenue growth proposals set out in the agenda pack, the revenue budget for Adults would reduce from	That Cabinet give a commitment that the Adults and Health Budget is not reduced going into the 2022/23 budget.	Yes	The February budget report will include proposals for a further substantial growth for the Adults social care budget, which will lead to an increase for this priority area.

		<p>£83.208m in 2021/22 to £82.164m in the draft 2022/23 budget. The Panel requested a breakdown of the different elements of the revenue budget, including previously agreed savings and growth funding, in order to illustrate the reasons for the decline in the revenue budget.</p> <p>RESPONSE:</p> <p>The net change in priority area budgets from year to year will include a number of factors including the impact of agreed growth and savings and other factors impacting on budgets such as variations in the levels of government grants awarded. In</p>			
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		this case the net change comprises £0.5m of minor in year changes to the priority area budget, £4.1m of agreed MTFS savings, and £3.6m of agreed budget growth.			
N/A	General issue		The Panel expressed concerns about the significant future increase in interest repayment costs to the General Fund (shown to reach over £29m by 2026/27 according to Table 8.8 on page 34 of the Dec 2021 Cabinet report) caused by the projected rise in capital investment. The Panel requested that Cabinet provide an assessment of the risk associated with the increase in the proportion of financing costs to the net revenue stream over the MTFS period.	Yes.	The budget report to Council will describe how the overall budget risks are addressed in totality including the cost of debt.
<u>MTFS Savings Tracker – 2021/22 to 2025/26</u>					
N/A	General issue		The Panel expressed concerns about whether the targeted savings for 2021/22 would be	Yes	The February budget report will provide additional recognition of the risk

			achieved by the end of the year and recommended that further analysis should be provided to demonstrate how this would be achieved.		posed by potential delays in the delivery of the Council's agreed MTFS savings.
AS101/AS102	Fast Track Financial Assessments/Client Contributions		<p>The Panel was concerned that the savings expected in 2021/22 were too high and recommended that the savings should be spread over a longer period within the MTFS. The Panel suggested that a smaller saving in 2021/22 would have allowed for the impact on residents to be properly assessed before the remainder of the savings were implemented in future years.</p> <p>The Panel also recommended that an analysis of the impact of the savings so far on residents and the associated risks should be carried out to ensure that this was not causing financial difficulties for individuals and their families.</p>	Yes	<p>Our assessments consider all financial commitments (in line with The Care Act 2014) and we ensure we do not charge more than what clients can afford.</p> <p>It is important to note that the increased efficiency in processing client contributions assists in preventing debt from building up and causing undue concern to clients.</p> <p>The targets that relate to increased efficiency in processing (denoted as savings) are also regularly reviewed and there is provision to spread over a</p>

					<p>longer period of time within the MTFS.</p> <p>We are currently reviewing our charging policy with relation to the legislative framework and this involves engagement with residents and service users.</p>
<u>Draft Capital Programme – 2022/23 to 2026/27</u>					
201	Aids & Adaptations		<p>The Panel was concerned about the significant delays experienced by residents in the installation of aids and adaptations and the consequent impact of this on health and well-being. The Panel noted that this service was funded externally from the Better Care Fund but appeared to be under-resourced. It was also noted that the amount of money available appeared to be the same each year in the MTFS with no increases to keep pace with inflation. The Panel recommended that the Cabinet give consideration about</p>	Yes	<p>The service receives funding from the Better Care Fund (BCF) to complete Disabled Facilities Grants (DFG) in residents who own their own homes or in HA/privately rented properties and aids and equipment costs related to BCF outcomes.</p> <p>The amount awarded is decided by Central Government and given to</p>

			<p>whether the funding in this area is sufficient to meet the needs of local residents and, if not, what steps could be taken to increase the resources available for this including from external sources such as the Better Care Fund.</p> <p>Concerns were put forward that part of the reasons for delays were due to a lack Occupational Therapists. Scrutiny would also like Cabinet to ensure that there is additional funding available to provide additional Occupational Therapists to undertake assessments in order to implement aids and adaptations.</p> <p>Is there scope for joint partnership working on this. Could Occupational Therapists working in the community health sector be used to undertake assessments, if the Council could provide the funding.</p>	<p>local CCG's in their BCF to pass onto LA's.</p> <p>Major Adaptations for Council properties is funded through the HRA funding from Homes for Haringey and provided to ASC to adapt residents' property identified, or registered as disabled, and experiencing difficulties accessing essential facilities.</p> <p>We are currently working with Comm Health partners to scope the possibility of simplifying referral processes for major adaptations as they are also experiencing workforce capacity and recruitment issues for Occupational Therapists.</p>
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214	Osborne Grove Nursing Home	<p>The Panel commented that the total costs for this item seemed high at over £44m. The Panel requested a short summary of the reasons for the increase in the overall costs and details of any contributions from health partners towards the cost of the project.</p> <p>RESPONSE:</p> <p>The investment in the Osborne Grove Nursing Home is to create a 70-bed nursing and ancillary facilities. This project, like many others, has suffered from cost inflation due to the pandemic and Brexit, which is estimated to have</p>	That Cabinet include the income expected from the health sector for the nursing beds.	Yes	<p>The investment in the Osborne Grove Nursing Home is to create a 70 bed nursing and ancillary facilities.</p> <p>This project, like many others, has suffered from cost inflation due to the pandemic and Brexit, which is estimated to have added £1.35m to the cost base. In addition, as part of the process of design development via co production, the specification for the facility has been refined to meet the client group's needs.</p> <p>This has meant that the scheme cost has increased by £2.25m. Also, as the building is larger than the existing one, there is a need to provide a new electricity substation which has added £0.25m.</p>

		<p>added £1.35m to the cost base. In addition, as part of the process of design development via co production, the specification for the facility has been refined to meet the client group's needs. This has meant that the scheme cost has increased by £2.25m. Also, as the building is larger than the existing one, there is a need to provide a new electricity sub station which has added £0.25m. The project steering group are undertaking a review of the scheme in light of the budget position. There are no budgeted contributions from health partners to the scheme.</p>			<p>The project steering group are undertaking a review of the scheme to more closely align it to the budget, and all these considerations are being factored into the business case. There are no budgeted contributions from health partners to the scheme.</p>
Children and Young People's Scrutiny Panel – People Priority					

Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req'd	
N/A		None.	The Panel noted concerns from Special Educational Needs and Disability (SEND) parents and carers that the explanation for the overspend in the High Needs Block of the Dedicated Schools Budget (DSG) as being mainly due to the increase in the number of children with Education, Health and Care Plans (EHCPs) might be misconstrued as apportioning blame. It also noted assurances from the Cabinet Member for Early Years, Children and Families and officers that there was no intention to do this and that the overspend was due to structural issues arising from inadequate government funding, as referred to in the report. The Panel recommends that the language used in describing the reasons for the overspend in the High Needs Block in future	Yes..	The importance of using appropriate narrative in describing the situation and financial implications of this vital service is recognised.

			documentation be modified in order to avoid the possibility of it being misinterpreted as apportioning blame on SEND families.		
N/A			The Panel noted and welcomed the commitment by the Council to engage with the community regarding the MTFS proposals. However, it was felt that attention needed to be given to how they could be made easier to understand so that they were more accessible to the wider community. This could be done through measures such as providing an easy-to-read version as Hammersmith and Fulham had done. The Panel therefore recommends that work be undertaken to improve the accessibility of the MTFS documentation to promote more effective engagement with the local community.	Yes	The Council's budget consultation and engagement activities are reviewed annually, including considerations around accessibility. The Council's consultation process was fair and followed our Consultation Charter.
N/A			The Panel recommends that a briefing be provided to the Overview and Scrutiny Committee on the outcome of the engagement undertaken	Yes	The February budget report to Cabinet (which will form part of the Full Council papers) will include all details of the outcome of

			as part of the MTFS process, including which stakeholders were involved and their responses to the proposals.		the public consultation on the budget.
Your Council					
Ref	MTFS Proposal	Further info requested	Comments/Recommendation	Cabinet Response Req'd	
<u>Revenue Growth proposals</u>					
	Residents & Communities Engagement and Participation		The Committee recommended that the Cabinet should publish further details about this project, including specific details on how the funds are expected to be spent and how it would make a difference to participation with residents including hard to reach groups.	Yes	<p>We have ambitious plans to develop and embed the participation agenda across the work of the council</p> <ul style="list-style-type: none"> - providing new ways for residents get involved in local decision making, shape the services they use and be part of co-producing the borough of the future. <p>There is significant pre-existing work and expertise within the council, but to take this work to the next level will require some</p>

					<p>additional corporate resource. This will support the provision of good quality engagement tools, advice and organisational capacity building. Having been established in 2019, now is also the right time to develop the next stage of development for the Haringey Citizens Panel.</p> <p>The budget growth bid resources of £100k p/a will be utilised to:</p> <ul style="list-style-type: none"> - develop, test and roll-out new approaches to participation including co-design and co-production across the council. This will include: <ul style="list-style-type: none"> o developing best practise
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					<p>around involving and engaging residents from a wide range of different backgrounds and communities including our young people</p> <ul style="list-style-type: none"> ○ providing practical support for 'demonstrator' projects on key strategic issues that will act as examples for our new approach – for instance climate change ○ build internal expertise around the use of structured, deliberative engagement
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					<p>methods as part of the borough plan process</p> <ul style="list-style-type: none"> - provide resources to meet translation and interpretation costs to ensure residents who are less confident to speak or write in English can fully participate in our engagement activities - support the next steps in the development of the Citizens' Panel including event costs and support for a new software platform. - ensure our work is informed by the significant learning and good practice available externally via membership of New Local. Membership of the New Local network would give us
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					<p>access to relevant events, tailored workshops on our organisational potential, research and briefings.</p> <p>Further details on this programme of work will be developed ahead of the start of the new financial year and will be made available in due course.</p>
<u>New Capital bids</u>					
	Web and Self Service Projects	<p>The Committee agreed that the Council's website was in need of improvement and requested that the expected timescales for this improvement work be provided.</p> <p>RESPONSE:</p> <p>The current implementation date</p>	<p>The Committee requested that the Cabinet provide clarification on what was meant by "installation of a new platform" and for further details on what improvements will be made to the Council's website.</p>	Yes	<p>The current Haringey website is built using the technology system known as the Drupal 7 platform (This is also often referred to as Content Management System or CMS).</p> <p>Drupal 7 is coming to their end of life – Nov 22</p> <p>End of life means that no more security patches will</p>

		<p>for the installation of a new platform for the Council website is:</p> <p>Start Date 1/12/21</p> <p>End Date 30/11/22</p>			<p>be available, or improvements will be produced for this platform (Drupal 7). Drupal 7 has a very different architecture form Drupal 8 and 9, so it can't be upgraded. We need to move everything to a new version/platform.</p> <p>We are considering Drupal 8 or 9 alongside options outside of Drupal, for due diligence purposes and to the choose the best and most cost-effective alternative.</p> <p>We also considering flexibility and scalability besides cost benefit. Improvement to the residents' online experience improvement is also being considered when upgrading the platform.</p> <p>The new platform will provide a more</p>
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					<p>sophisticated and interactive customer experience to address changing customer expectations from our digital offer - making it easier to navigate and to provide a more tailored experience for residents</p> <p>The council has other websites built in Drupal 7 which need to be moved before Nov 22. Youth space, Tottenham generation. This will also benefit from the current exercise.</p> <p>The new CMS will allow digital services to replace these micro websites and give digital services the capability to roll out other/new microsites. The service will have the option to build microsites via the internal web team rather than going to market. This</p>
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					should enable further costs savings
<u>Draft Capital Programme – 2022/23 to 2026/27</u>					
330	Civic Centre Works	<p>The Committee requested further information about the self-financing element of the scheme, including the role of the Treasury Management Strategy and the repayment of the debt costs.</p> <p>RESPONSE:</p> <p>The Full Business Case for the Civic Centre works including the self-financing elements of the scheme are set out in the Jan 18th Cabinet report.</p>	<p>The Committee noted that the estimated capital cost for Alexandra House were £35m under Option 1 and £1.7m under Option 2. The Committee requested that the Cabinet provides further details about how these figures were arrived at.</p>	Yes	<p>The refurbishment cost of £35m for Alex House, used within the business case, was produced by Internal cost consultants at Haringey Council in December 2021. BCIS figures are based on the latest industry information and provides an independent data source for cost estimating, taking into account the recent market increases being experienced as a result of the Covid Pandemic. These figures are further validated by previous costs estimates, externally produced by GL Hearn.</p> <p>The £1.7m figure is informed by external cost consultancy work by Fulkers Russell and Bailey for the wider refurbishment of station road sites. The figure can be found in the November</p>

					21 Station road Cabinet Report table 1.1. and reflects the asset enhancement works.
N/A	General issue	<p>The Panel a breakdown of the total of £92m allocated across the five years of the draft capital programme, specifically on the proportion of borrowing and of self-financing and on the expected cost of the borrowing to the revenue budget in future.</p> <p>RESPONSE:</p> <p>The Council's capital expenditure programme is set out in section 8 of the budgets report presented to cabinet on 7 December. Appendix</p>	N/A		

		4 to the report contains a line by line breakdown of each priority area capital programme, including the financing for each scheme.			
<u>MTFS Savings Tracker – 2021/22 to 2025/26</u>					
N/A	General issue	The Committee concluded that further clarification was required on the savings and the RAG ratings provided in the table. Specially there were some concerns that some savings were apparently not being achieved but still being rated as amber. The Committee asked for further details to be provided on why the savings had not been achieved and, if pushed into future years, when the	The Committee requested that the savings achieved to date column be fully completed in future savings tracker documents provided to Scrutiny.	No	

		<p>savings were expected to be achieved.</p> <p>RESPONSE:</p> <p>The Council's MTFS savings programme is kept under review throughout the financial year, an update on this will be provided as part of the Q3 cabinet report which will be presented in the March meeting.</p>			
A6.2	Audits and Risk Management	<p>The Committee requested more details about whether the number of audits was being reduced and, if so, an explanation of what these audits involved and why they were no longer required.</p> <p>RESPONSE:</p>	<p>The Committee considered that audits are required for robust and independent oversight. The Committee requested that the Cabinet provide clarification on the consequences for audit work from this saving and recommended that the saving should not go ahead if it would result in a reduction of audit work being carried out.</p>	Yes	<p>The Council is committed to maintaining a strong public audit regime, including the work of internal audit. The Council will continue to ensure internal audit work is maintained to meet internal audit standards and ensure any budgetary savings does not compromise the integrity of the work of internal audit. The Authority</p>

		<p>The saving is based on the Council increasing assurances obtained from other parties. The Audit and Risk Management service will continue to identify key areas of audit and present the audit plan to the corporate committee, but with a sharper focus on areas where audits are carried out. The expectation is other parties and external agencies will provide assurances required by the corporate committee over the operations of the Council.</p>			<p>will ensure that there is adequate budget available to provide the necessary levels of assurance from this function.</p>
YC106	Reduction in Legal Services Support	<p>The Committee noted that, under the revenue growth section, there was a proposal to increase funding for back office functions</p>	<p>The Committee felt that the response provided on this item was unclear as they had understood from the previous scrutiny meeting that the original savings proposals to</p>	Yes	<p>The previously agreed savings for Legal Services for 2021/22 have been met. The revenue growth proposal for Legal Services for 2022/23 would enable</p>

		<p>including legal services. However, this previously agreed saving involved a reduction, so the Committee asked for further clarification on how the growth and reduction proposals fitted together and whether they involved different parts of the legal service.</p> <p>RESPONSE:</p> <p>The increased investment in the legal service's establishment is proposed to increase the internal qualified legal capacity to deal with Council priority areas. The prior year's savings proposal primarily focussed on changing work requirements due to</p>	<p>reduce legal support services had not been met.</p> <p>The Committee emphasised their concerns about the impact of a reduction in legal support services, including that specialist legal staff would be required to carry out more administrative functions. The Cabinet recommended that legal services support should not be reduced and sought assurances from the Cabinet that this would not be the consequence of the overall changes proposed.</p>		<p>the service to meet in parts the increasing demand in the Council's priority areas.</p>
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		increased home working following the pandemic and consequently less administration capacity required.			
	Digital Together	<p>The Committee expressed concerns about the low proportion of this saving that had been achieved so far in 2021/22 (£90k out of a target of £750k) and that there was a lack of evidence provided on how this saving would be achieved. The Committee requested further information to clarify this.</p> <p>RESPONSE:</p> <p>The programme has made a total of £328K savings out of which £90K is cashable. The other</p>	<p>The Committee considered that it should be possible for the £328k of savings referred to in the response provided to be quantified and identified.</p> <p>The Committee requested that the Cabinet provides a breakdown of the £328k of savings that have been achieved through this proposal.</p> <p>The Committee also requested that further details be provided on how the overall target of £750k was expected to be achieved.</p>	Yes	<p>Cashable savings of £90k were derived from</p> <ul style="list-style-type: none"> • Strategic contract review: £60k • Print reduction: £30k <p>Non cashable savings were derived from</p> <ul style="list-style-type: none"> • £160k reduced spend print • £10k cost avoidance: Automated solution for commercial bin hire • £68k estimated by the Libraries project (move to LMS)- review on-going re profiling of savings between cashable and non-cashable

		<p>savings are either cost avoidance or derived from circumstances in which it is not possible for services to attribute the saving to various budgets which benefit, e.g. efficiencies assisting with savings which impact on many officers' time.</p> <p>We have concentrated effort to find new opportunities which will need to be scoped and then implemented with the necessary savings then being realised. It is the nature of most projects that the savings can only be taken towards the end of the process</p>			<p>Work with management teams across the Council has provided lots of initiatives and opportunities that are being investigated, and will be incorporated into the programme of work, these include processes in revenues and benefits, cross Council procurement processes and contractual savings opportunities.</p>
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		and would fall in later years.			
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Equality Impact Assessment

2022-23 Budget and 2022-2027 Medium Term Financial Strategy

January 2022

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1. Introduction

1.1. Purpose of report

This report considers the implications of the proposals in the 2022/23 Budget and 2022-2027 Medium-Term Financial Strategy Proposals (MTFS) report on groups of residents who share the protected characteristics defined in the Equality Act 2010.

Wherever relevant, service areas have carried out EqlAs for each individual MTFS proposals. This report considers the cumulative impacts of the proposals, including the ways in which any 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 (EqlAs) 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 EqlAs 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

EqlAs 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 EqlA is needed to inform the decision-taker.

Further [detail on EqlAs in Haringey Council, including contextual information, published EqlAs and how to complete an EqlA](#), is available on the Haringey website¹.

1.3. Equalities profile of Haringey

According to the 2011 census, which is at this point in time our most reliable source of socio-demographic data, the total population of the borough is 271,222.

In terms of equality, demographics break down as follows:

Sex:

- There is a relatively equal split by sex 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%)

¹ Haringey Council. 2021. *Equality Impact Assessments (EqlA)*. [ONLINE] Available at: <https://www.haringey.gov.uk/local-democracy/about-council/equalities/equality-impact-assessments-eqla>. [Accessed 7 January 2021].

- 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%)

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

Gender reassignment:

- We do not have reliable figures for people who have undergone or are planning to undergo, gender reassignment or who identify as trans.

Further detail on the [equalities profile of Haringey](#) is available on the Haringey website².

1. Internal context

1.1. 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

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].

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
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 prominent principle that the Council needs to consider in the context of Covid-19, and which needs to be central to future strategic planning.

1.2. Review of Fees and charges

Every year the Council reviews the level of fees and charges levied on service users. There are no new significant charges proposed as part of this draft budget report. The default position will be that fees and charges will increase in line with inflation (3.5%), except where there are good reasons to depart from this. The limited changes set out within this report have all been subject to equalities screening. Where the screening process has identified a potential disproportionate impact for protected groups, or see a fee increase above inflation (3.5%) for the resident a full EqIA has been completed.

This has resulted in one full EqIA being completed for registrars. The result of the Registrars full EqIA process has not identified any potential for discrimination or adverse impact. Registration services are delivered in compliance with government rules, regulation and law. Statutory fees are available to ensure accessibility and amending some of the fees, as proposed, will not affect the statutory provision for the services offered by the registration team. The fee proposals will enable a fair and sustainable service to be delivered with a range of appointment days, times and variation of services to meet specific needs. Legislation has provision for fees to be waived on the grounds of compassion and hardship to further ensure accessibility and fairness to all. For an increase of fees above inflation experienced by commercial organisations such as developers and business an EqIA has not been completed.

1.3. 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%).

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 2022/23, but with some proposed changes to simplify and stabilise our scheme for working-age residents, including automating the claims process for residents who are awarded Universal Credit. These proposals will be brought forward to Full Cabinet alongside the budget report in March 2022.

If the proposal is implemented, we estimate most working-age residents would receive the same support as now with approximately 6% receiving a slightly smaller amount of support (average £32 per year/62p per week) and approximately 6% receiving a slightly higher amount of support (average £36 per year / 69p per week).

On balance, it is considered that this would have a positive effect on residents by making the scheme more accessible and reducing the number of bills.

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.

1.4. Council Tax rise

The council is proposing to increase council tax by 1.99% (the threshold set by government is 2%) and a further Adults Social Care Precept of 1% (the maximum allowed by Government), which give a total Haringey Council Tax charge increase of 2.99% for 2022/23. 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.

In 2018, 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.
- 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.
- 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.
- 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

^[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.

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 2021 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

Haringey has received c.£5m from the Government since December 2020 via a number of grants (the COVID Winter Grant Scheme/ Covid Local Support Grant/ Household Support Fund) to support residents experiencing financial difficulty as a result of Covid-19's economic impacts. This funding has been carefully targeted at those groups of residents who we understand to be disproportionately affected, including as a result of their pre-existing financial circumstances. See [here](#) for more detail.

3.3. Current financial and economic context for Haringey

During the pandemic, government interventions significantly protected household incomes and some residents (on mid or higher income) have been able to reduce spending over last 18 months. Welfare reforms including the £20 UC uplift, increase in Local Housing Allowance (LHA), and the suspension of the Minimum Income Floor (MIF) have been key to protecting income levels.

Over the course of 2021, cuts have created a new benefits squeeze, as the £20 Universal Credit uplift (worth up to £1,040/year; an average 12% of entitlement) has ended; the Minimum Income Floor has been removed; and, Local Housing Allowance (LHA) has been frozen in real terms at 2020 rates. The October budget 2021 included some good news for

working residents, introducing an 8% cut to the taper rate for those on Universal Credit; and, increasing the National Minimum Wage by 6.6%. We estimate that c.17,000 Haringey residents on Universal Credit and in employment may benefit.

But, overall, more will lose than will gain from these changes: c.24,000 Haringey residents in receipt of universal credit but not in employment will not gain from changes to the taper rate or increases to the minimum wage. Across the country, Resolution Foundation predicts that 3 out of 4 families on Universal Credit will still lose more from the £20 cut than they will gain from the changes announced in the Budget.

This is against a backdrop when we know that residents will be facing renewed challenges as cost of living rises (especially as a result of inflation and increases in fuel costs) and some support is cut.

4. Cumulative EqIA of Medium-Term Financial Strategy and Savings Proposals

4.1. MTFS proposals

The council has continued its work to support residents, communities, and businesses in the face of Covid's impacts, in both the short and long term. Government funding has contributed to many of the direct costs of Covid, but the increased levels of needs across the borough and the resulting demand on our services have had an impact on our approach to financial planning.

We have approached the financial planning process differently for the 2022/23 MTFS, with our ongoing change agenda in mind alongside the longer-term budgetary landscape, which will require further savings to be delivered in future years. Directing improvements in government grant funding to addressing essential budget growth and a considered use of one-off reserve funding would enable the Council to have more time and space to determine this new programme of change required to address its future funding gap, which will also align with the launch of the Council's new Borough plan, and better align with any funding changes which are announced from the government's review of funding in the sector.

The budget growth proposals for 2022/23 will allow us to alleviate pressures in our main demand led services (Adults, Children's, and temporary accommodation) while bolstering budgets to support organisational change needed to meet longer term structural funding gaps.

While no new budget reduction proposals are proposed for 2022/23 in line with the agreed financial planning strategy, further detail on the Council's future funding challenge is available on the [Haringey website](#).

A set of new growth proposals are set out in this report which will ensure we can meet the needs of our most vulnerable residents, including women and girls impacted by domestic and other forms of violence, tackle the climate emergency, expand our coproduction capabilities, and support long-term development of Haringey's public realm.

The proposals developed through the budget setting process are summarised below:

People (Adults)

There are three key proposals. The first is an investment in services to support women and girls at risk of domestic abuse and other forms of violence. The other two proposals relate to investing in Adults' Social Care to deal with pressures relating from inflation, demographic growth, and Covid-19, and to facilitate increased commissioning capacity.

People (Children)

Proposals will support the service in growing its offering. First, proposed investment will support increased placements capacity for children in social care, as well as alleviating cost pressures resulting from increased case numbers and demand levels. Investment will also help the commissioning and brokerage functions of the service respond to the increased demand resulting from the pandemic, as well as support the creation of an in-borough residential care facility.

Place

Proposed investment will improve Haringey's public realm – from initiatives to plant and maintain more trees, improve highways draining, support waste services, upgrade lighting, and diversify the Haringey landscape through wildflower meadow planting, to road safety initiatives, environment and climate investment, and other internally-facing upgrades that will enable colleagues to undertake their Place-related work more effectively.

Housing and Economy

Proposals include increased investment in temporary accommodation, and funding to support the production of the Local Plan and the procurement and establishment of digital inclusion facilities supporting access to services and work-related training.

Your Council

The primary proposal is to increase council tax by 1.99% and levy the 1% Adults Social Care Precept, anticipated to raise an additional £3.4million to deliver local services. Other proposals cover the costs of running local elections, statutory functions sustainability, costs of Council Landlord function, improved self-service capabilities, including automation and data management, Council building asset management, costs of the Civic Centre and Annex project, and a capital contingency.

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:

- 33 were deemed not to require a full EqIA at this stage

- 5 had a full EqlA conducted

The table below shows the detail of all of the MTFS proposals, noting where a proposal has had a full EqlA conducted and a summary of the findings set out therein:

People – Adults

Proposal	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Violence against Women and Girls	No	<p>Sex – will support needs of at-risk female residents.</p> <p>Age – potential to reduce risk for girls as well as mothers.</p> <p>Race and Ethnicity (intersecting with Religion) – specific services will be tailored to needs of at-risk women and girls from BAME communities, recognising distinct needs of these communities and challenges in delivering appropriate and effective services.</p>	Sex – services not anticipated to address violence against men in domestic violence scenarios at this time.	Yes – continued provision of services that support all genders and sexual orientation, including LGBTQ+.
Adults' Social Care – budget growth	No	<p>Age – anticipate positive impact of service expansion on older residents</p> <p>Disability (including SEN) – service expansion will also benefit disabled residents, who are overrepresented in groups who are within the care of Adults' Services</p> <p>Race and Ethnicity – likely to have positive impact for BAME communities given overrepresentation</p>	None	N/A

		within Haringey population		
Adults' Social Care – Commissioning/ Brokerage Capacity	No	<p>Age – anticipate positive impact of service expansion on older residents</p> <p>Disability (including SEN) – service expansion will also benefit disabled residents, who are overrepresented in groups who are within the care of Adults' Services</p> <p>Race and Ethnicity – likely to have positive impact for BAME communities given overrepresentation within Haringey population</p>	None	N/A

People – Children

Title	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Children's Social Care – Placements Growth	No	<p>Sex – growth of placements service will benefit both male and female children in our care and allow for us to better meet individual needs which may relate to their gender.</p> <p>Age – expansion of service will allow us to better meet needs of at-risk children across age groups.</p> <p>Disability (including SEN) – overrepresentation of children with SEN and other disabilities cared</p>	None	N/A

		<p>for by service means expansion will have positive impact for them. Expansion will allow us to meet increased complexity of children's needs, including as they relate to this protected characteristic.</p> <p>Race and ethnicity – overrepresentation of BAME communities among children in our care. Expansion of service likely to enable us to meet increased numbers and complexity of needs, which may relate to cultural and racial background.</p>		
Brokerage and Quality Assurance for Children and Young People	No	<p>Sex – investment in commissioning and brokerage functions will benefit both male and female children in our care and allow for us to better meet individual needs which may relate to their gender.</p> <p>Age – increased capacity will allow us to better meet needs of at-risk children across age groups.</p> <p>Disability (including SEN) – overrepresentation of children with SEN and other disabilities cared for by service means expansion will have positive impact for them. Expansion will allow us to meet increased complexity of children's needs, including as they relate to this protected characteristic.</p>	None	N/A

		Race and ethnicity – overrepresentation of BAME communities among children in our care. Expansion of brokerage and commissioning function likely to enable us to procure services which better meet increased numbers and complexity of needs, which may relate to cultural and racial background.		
Children's Social Care – meeting rising case numbers and costs pressures	No	<p>Sex – investment to respond to rising case numbers and costs pressures will benefit both male and female children in our care and allow for us to better meet individual needs which may relate to their gender.</p> <p>Age – increased capacity will allow us to better meet needs of at-risk children across age groups, with expansion of services like the Young Adults Service ensuring needs of this age group are met.</p> <p>Disability (including SEN) – increasing overrepresentation of children with SEN and other disabilities cared for by service means expansion will have positive impact for them, particularly in broadening capacity of relevant professionals who provide them with support. Expansion will allow us to meet increased complexity of children's needs,</p>	None	N/A

		<p>including as they relate to this protected characteristic.</p> <p>Race and ethnicity – overrepresentation of BAME communities among children in our care. Investment in service is likely to enable us to better meet the needs of BAME children and families who rely on our services,</p> <p>Socio-economic background – proposed growth e.g., to free school meals provision will support needs of children, and their families, who are vulnerable to longer term impacts of pandemic and facing unemployment and poverty. This intersects with race and ethnicity, with more BAME families likely to face socio-economic disadvantage.</p>		
Creation of in borough residential care facility	No	<p>Sex – creation of in borough care facility will benefit both male and female looked after children and allow for us to better meet individual needs which may relate to their gender.</p> <p>Age – facility will allow us to better meet needs of at-risk children across age groups.</p> <p>Disability (including SEN) – overrepresentation of children with SEN and other disabilities cared</p>	None	N/A

		<p>for by service means expansion will have positive impact for them. Expansion will allow us to meet increased complexity of children's needs, including as they relate to this protected characteristic.</p> <p>Race and ethnicity – overrepresentation of BAME communities among children in our care. Expansion of service likely to enable us to meet increased numbers and complexity of needs, which may relate to cultural and racial background.</p>		
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Place

Title	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Proactive tree maintenance	No	This investment will allow the Council to meet rising costs for tree maintenance and maintain the tree stock. This has been assessed to have a neutral equalities impact, effecting all residents of the Borough equally.	None	N/A
Community Safety and Waste Service and Contract Changes	No	This investment will allow the Council to meet future cost pressures in contracts for Waste and CCTV provision. This has been assessed to have a neutral equalities impact, affecting all residents of the Borough equally.	None	N/A

Highways Drainage Cleansing and Maintenance	No	This additional in-year funding will enable an enhanced gully maintenance programme. This has been assessed to have a neutral equalities impact, as the new operating model aims to deliver a greater frequency of cleaning and maintenance in both the 'Critical Drainage Areas', and outside of them, covering the borough in its entirety.	None	N/A
Environment/cli mate investment	No	<p>This investment covers a number of different projects and programmes. An early analysis of potential equalities impacts of each constituent part are assessed below.</p> <p>Climate Change, Air Quality and Community Co-Design</p> <p>This funding relates to the establishment of additional staff post(s) to develop a corporate approach to climate change, with a focus on community co-design and co-production. Subject to more detailed definition of the role, and further equalities analysis this is anticipated to have potential positive benefits for groups with protected characteristics.</p> <p>Following an approach already established via the Community Carbon Fund, carbon reduction</p>	None	N/A

		<p>projects across the Borough can be married with meeting the PSED, by ensuring that community participation is targeted at groups with protected characteristics, and that the benefits accrue to these groups. Further analysis and scoping will be required to determine which of the groups with protected characteristics can be targeted, and how they will benefit depending on projects chosen.</p> <p>Community co-production of small greenspaces</p> <p>This funding relates to the creation of parklets, to be designed in conjunction with the community. Subject to detailed project scoping, and further equalities analysis, this is anticipated to have benefits for multiple groups with protected characteristics. Areas in the East of the borough which have lower than London average tree cover are also those with higher concentrations of ethnic minority residents and higher rates of poverty. Targeting additional greening at these areas could have therefore have positive equalities impacts. Similarly, the process of participation and co-design with</p>		
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		<p>communities across the Borough could have positive equalities impacts, if participation is inclusive of groups with protected characteristics.</p> <p>Graffiti Pro Active Service</p> <p>This investment is for additional graffiti removal services. This is assessed to have a neutral equalities impact, as it will affect all residents equally</p> <p>Recycling Officer Post</p> <p>This investment is for a recycling officer. This is assessed to have a neutral equalities impact, as it will affect all residents equally.</p>		
Parks Asset Management	No	Replacement of assets at the end of current life span allows for continued use and access to green spaces and amenities. This is assessed to have a neutral equalities impact, as it will benefit all parks users and residents equally.	N/A	
Active Life in Parks	No	Replacement of assets at the end of current life span allows for continued use and enjoyment of sporting, play and outdoor fitness facilities. This is assessed to have a neutral equalities impact, as it will benefit	N/A	

		all users and residents equally.		
Building and Site Facilities at New River Sports and Fitness	Yes	<p>Maintenance and improvement of the facilities forms part of the Council's responsibilities as part of its direct management. This is assessed to have the following positive impacts:</p> <p>Sex: Direct management will enable a programme of activities to explicitly redress the current imbalance whereby men and boys are the predominant users of New River.</p> <p>Age: Direct management will enable a programme of activities to explicitly redress the current imbalance, whereby under-35s are the primary users of the Centre. Targeted outreach and activities will be designed to enable greater participation of older people.</p> <p>Disability: Current data on usage by disabled people is limited, but the Council has an explicit aspiration to increase participation of disabled people via bespoke activities, training and outreach.</p> <p>Race and ethnicity: Direct management will allow for better data collection on the user</p>	None	N/A

		profile of the Centre, which in turn should allow the Council to target more effectively its efforts to widen participation from under-represented groups.		
Security (Body Cameras and Radios)	No	The purchase of body cameras and radios for staff engaged in security works at public sites. This is assessed to have no positive or negative equalities impacts		
Parks Leased Buildings	No	This scheme will bring buildings within the Parks estate to a compliant EPC rating of E. This is assessed to have no positive or negative equalities impacts		
OFM (vehicles)	No	This scheme is to replace the vehicles currently hired from Veolia with Council owned vehicles. This is assessed to have no positive or negative equalities impacts.		
Parkland Walk Footbridge Replacement Work	Yes	Age – improved accessibility via the addition of a ramp and re-designed steps will have a positive impact on elderly users who may suffer from limited mobility. Improved natural surveillance via re-design of the bridge may also address the disproportionately higher fear of crime among older Haringey residents.	None	N/A

		<p>Sex – enhanced natural surveillance may mitigate the disproportionately higher fear of crime among women in Haringey.</p> <p>Disability – enhanced natural surveillance may mitigate the disproportionately higher fear of crime among disabled Haringey residents. Improved accessibility via ramp and new stairs will allow for greater enjoyment of Parkland Walk for disabled residents.</p> <p>Pregnancy and maternity – Improved accessibility via ramp and new stairs will allow for greater enjoyment of Parkland Walk for pregnant women with limited mobility and those with pushchairs and prams.</p>		
Street Lighting Maintenance	No	<p>This bid is for additional resource to supplement existing investment plan. The Street Lighting Investment Plan has been assessed to have the following positive impacts:</p> <p>Age: Improved colour rendering through installation of LED lights will improve visibility at night, and hence could improve perceptions of safety for young adults and older people who are known to feel less</p>	<p>The implementation of the works programme may have the following negative impacts:</p> <p>Age: Reduced accessibility on the footway while works are taking place, impacting younger children and</p>	<p>Schemes will be individually planned and undertaken to minimise disruption, including taking place when footways are less likely to be in use, and at a time when lighting is less likely to be needed. Communicati</p>

		<p>safe in the Borough at night.</p> <p>Sex: Improved visibility at night through upgrades of the lighting stock could improve perceptions of safety for women, who are known to feel less safe in the borough at night.</p> <p>Disability: Improved visibility at night through upgrades of the lighting stock could improve perceptions of safety for disabled people, particularly those who are visually impaired, and are known to feel less safe in the borough at night. Improvements to active travel infrastructure, with enhanced lighting, may encourage less car use at night, and hence improve air quality for those with respiratory illnesses.</p> <p>Race and ethnicity: Greater activation of public spaces through enhanced visibility, accessibility, and hence increased natural surveillance and social interaction may have a positive impact on crime rates and anti-social behaviour, which are higher in the East of the Borough. BAME residents are over-represented in the East of the Borough, so could benefit disproportionately from improved lighting.</p>	<p>older people with limited mobility. Individual streetlights will have reduced functionality while upgrades are taking place – this may impact those with a greater fear of crime disproportionately, such as older people or young adults.</p> <p>Disability: Reduced accessibility on the footway while works are taking place may impact those with limited mobility as a result of disability or long-term illness. Individual streetlights will have reduced functionality while upgrades are taking place – this may impact those with a greater fear of crime disproportionately, such as disabled people</p> <p>Pregnancy and maternity: Reduced</p>	<p>on and engagement will be undertaken, and necessary adjustments for groups with protected characteristic will be made on a case-by-case basis.</p>
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			<p>accessibility on the footway may impact those using pushchairs or prams for infants.</p> <p>Sex: Individual streetlights will have reduced functionality while upgrades are taking place – this may impact those with a greater fear of crime disproportionately, such as women.</p>	
Upgrade Parks Lighting	No	<p>This scheme is additional investment beyond planned maintenance – conversion to LEDs, installation of a CMS and replacement of columns at the end of life cycle. Subject to further project scoping and detailed planning of individual schemes, more detailed equalities analysis will be carried out on a project-specific basis. At present it is assessed to have a neutral equalities impact.</p>		
Tree Planting (Street and Greenspace Greening Programme)	No	<p>Increase in funding will allow the Council to maintain a net neutral position in its tree stock. Additional funding to be leveraged will allow tree planting to be increased to net positive position.</p>		

		This is expected to have a neutral equalities impact, as it will benefit all residents equally.		
Waste (street Washing/Cleaning Equipment)	No	Purchase of different equipment to enable greater efficiencies to be found. This is assessed to have no positive or negative equalities impacts.	None	N/A
Highways Asset Maintenance Programme	Yes	<p>The Highways Investment Plan was developed following the development of the Local Implementation Plan. LIP3 was subject to an EQIA which assessed the following impacts.</p> <p>Age: Improved accessibility to amenities and facilities will disproportionately benefit younger children and older people who need greater adjustments to footways to travel independently. Safer roads, lower congestion and resulting improvements in air quality will benefit older people and young children who are at greater risk from respiratory illnesses.</p> <p>Disability: Improved accessibility and improvements in air quality will benefit those with both limited mobility and those with respiratory illnesses.</p>	<p>Age: Older people with limited mobility due to age who are dependent on travel by car may be affected adversely disproportionately by changes to highways aimed at increasing active travel. Disruption due to programming of works may impact those reliant on cars disproportionately.</p> <p>Disability: Disabled people who are reliant on car travel may be disadvantaged by changes to highways aimed at increasing active travel. Disruption due</p>	Consultation and engagement will be carried out such that residents are able to plan alternative routes during periods of disruption, while also having the opportunity to feedback on individual schemes so as they can be mitigated on a case-by-case basis

			to programming of works may impact those reliant on cars disproportionately. Works to upgrade footways may also impact residents with limited mobility who may not be able to find or take alternative routes as easily.	
Road Casualty Reduction	Yes	<p>The Council has committed to improving conditions for vulnerable road users, cyclists and pedestrians in the Borough. The development of a strategy to reduce road casualties is assessed to have the following potential positive equalities impacts</p> <p>Age – 20–29-year-olds are more likely to be killed or seriously injured than other age groups. Improving road safety would have a positive impact on this group.</p> <p>Disability – disabled people are five times more likely to be injured as a pedestrian than non-disabled people. Improving road safety would have a positive impact on this group.</p> <p>Race and ethnicity – Non-white Londoners</p>	None	N/A

		are twice as likely to be injured on the roads as white Londoners. Non-white children are 1.5x more likely to be killed or seriously injured on the roads than white children in London. Improving road safety would have a positive impact on this group.		
Wildflower Meadow Planting	No.	This has been assessed to have a neutral equalities impact.	None	N/A

Economy and Housing

Title	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Temporary Accommodation	No	<p>Age – recognising that certain age groups are at greater risk of facing loss of their housing, increased provision should have a positive impact.</p> <p>Sex – single parents, who are more likely to be women, face increased pressures in the wake of the pandemic and the impact on the economy coupled with legacy issues faced by single parents in balancing child-related costs with wider costs of living. Increased provision should have a positive impact for this group in particular.</p> <p>Race and ethnicity – BAME groups are more</p>	None	N/A

		<p>likely to have faced economic difficulties in wake of the pandemic given overrepresentation of BAME groups in transient, insecure and / or lower-paid roles, making them more vulnerable to accommodation pressures. Increased temporary accommodation provision should have a positive impact for these groups.</p> <p>Socio-economic background – linked to race / ethnicity, BAME communities are also more likely to face socio-economic disadvantage with increased pressures on security of their housing. Temporary accommodation provision will improve experiences of these groups.</p>		
Planning Policy and Production of Local Plan	No	<p>All protected characteristics – production of Local Plan will improve Place-related outcomes for all residents, including those with protected characteristics.</p> <p>Development process includes engagement and consideration of needs of all protected groups to ensure Local Plan meets needs of marginalised groups as part of meeting wider planning outcomes.</p>	None	N/A

'Out of the Box' outreach services	No	<p>Age – proposed services will support digital inclusion for all residents, having a particularly positive impact on older residents who are more likely to face digital exclusion. Will also enable digital access for younger residents who might be digitally excluded for socio-economic reasons.</p> <p>Race and ethnicity – BAME groups are more likely to face economic difficulties and may therefore face digital exclusion. Outreach services that are co-designed with partners to maximise access are likely to facilitate access for these groups.</p> <p>Socio-economic background – planned provision via the service will provide advice on poverty and financial hardship related issues, supporting residents facing socio-economic disadvantage in addressing these challenges.</p>	Limited reach of initial outreach services means provision may not be accessible to all of those in need	Pop up of service supports rotation across venues and locations across the borough, maximising reach
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Your Council

Title	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Running Local Elections	No	Neutral: This funding is to cover the estimated costs of running the Local Council Elections in 22/23 and 26/27 which	None.	N/A.

		are not funded via Government grant.		
Back Office Statutory Functions Sustainability	No	Neutral: This will provide adequate back office statutory functions to adequately support and advise the organisation.	None.	N/A.
Council Landlord Functions Pressures	No	Yes: This growth is to allow essential additional investment in Council properties and to deal with backlogs in maintenance/repairs and will benefit those in Council properties among whom the following protected groups are overrepresented: women (sex); over 60s (age); Black residents (race).		
Residents and Communities Engagement and Participation	No	Yes: This investment will enable us to further develop their involvement in local decision making, shaping the services they use and be part of co-producing the borough of the future. Broadening and intensifying our engagement with protected groups is an essential part of this activity.	No.	N/A
Web and self- service projects	No	Neutral: The investment will enable more efficient ways of working and improve the availability and quality of online services.	No.	N/A

Automation Solutions	No	Neutral: automation solutions will bring benefits for all residents and businesses.	No	N/A
EDM Project	No	Neutral: this will support data management projects in order to ensure Council processes remain efficient and the organisation is able to make the best use of our data to inform service management and decision making.	No	N/A
Data Centre and New Civic Centre	No	Neutral: This will allow for the move of the data centre from River Park House. This work includes capital project resource costs, wi-fi installation, comms line moves, data centre creation, generator moves, air conditioner moves or purchase, AV systems and possible other software solutions.	No.	N/A
Asset Management of Council Buildings	No	Neutral: This is for ongoing investment in the Council's built assets held in the corporate/operational estate	No	N/A
Civic Centre Annex	No	Yes: The Civic Centre project design will include design measures to ensure the building is accessible. The building's design will be progressed to ensure that the building provides autism friendly environments, faith rooms, gender neutral	No	N/A

		<p>toilets and accessibility to disabled users.</p> <p>The enabling works contract has been procured with equality in mind.</p> <p>Part of the quality evaluation process focused on the contractor's ability</p> <p>to provide employment opportunities, apprenticeships, training and mentoring opportunities and the support of local supply chains.</p>		
Capital Programme Contingency	No	Neutral: This proposal is for the creation of capital contingency in the capital programme to assist in managing any unforeseen variations	No	N/A

4.3. 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.
- In the specific instances where MTFS proposals had a full EqlA conducted at the time of this report being drafted, 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 EqlAs to mitigate for any potential negative impact.

5. Consultation

The budget proposals for 2022/2023 have been subject to a formal public consultation, details of which can be found [here](#).


This consultation included a specific question on about how residents and other stakeholders felt that we could narrow the gaps in life chances and opportunities available to different groups of residents in the borough. Responses to this question are detailed in the budget consultation report (Appendix 8). In summary, key themes included:

- Strengthening resident engagement, coproduction and participation in local decision making, with a focus on inclusion of disadvantaged groups or those facing inequality (e.g., disabled residents);
- Reducing the disproportionate impact of traffic and pollution on disadvantaged communities and parts of the borough;
- Investing in infrastructure and communities;
- Ensuring access to public services and leisure opportunities for disadvantaged groups; and,
- Addressing inequalities in education and preventing the exacerbation of these, particularly as a result of loss of schooling during the pandemic.

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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	2022-23 Council Tax Base Report
Date of decision	17th January 2022
Decision	<p>I approve the recommendation as set out in the attached report:</p> <p>That, the council tax base for 2022-23 is set at 79,303 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and</p> <p>That the assumed collection rate is set at 95.75% for 2022-23.</p>
Reasons for the decision	<p>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.</p> <p>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.</p>
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

<p>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)</p> <p>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</p>	<p>2022-23 Provisional Local government finance settlement report including the 2022-23 council tax report that sets the referendum principle.</p> <p>Provisional local government finance settlement: England, 2022 to 2023 - GOV.UK (www.gov.uk)</p>
<p>Reasons for exemption with reference to categories of exemption specified overleaf, or</p> <p>Reason why decision is confidential (see overleaf)</p> <p>Note: decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.</p>	<p>N/A</p>
<p>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).</p>	<p>In accordance with the Council's constitution, the Cabinet Member for Finance has been consulted on the contents of this report.</p>
<p>Signature of Decision Maker</p>	
<p>Name of Decision Maker</p>	<p>Jon Warlow, Director of Finance and Section 151 Officer</p>
<p>Does the decision need to be published?</p> <p>Yes <input checked="checked" type="checkbox"/></p> <p>No <input type="checkbox"/></p>	

Title: Council Tax base for 2022/23

Report authorised by: Jon Warlow, Director of Finance 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 decision

1. Describe the issue under consideration

- 1.1. This report sets out the recommended Council Tax Base for 2022/23. 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 2022/23.
- 2.2. A total of 1,319 (672 last year) additional properties have come into rating since the previous Council Tax Base report was published in January 2021. This reflects the impact of the C19 pandemic on the construction industry during 2020/21 which subsequently picked up. The Council's expansive council house programme coupled with on-going regeneration across the borough is expected to bring additional properties into rating during 2022/23 and an allowance has been built into the taxbase calculation to reflect this.
- 2.3. The taxbase set for 2021/22 built in an allowance for assumed on-going increases in working age CTRS claimant numbers as a direct consequence of the C19 pandemic. The monthly statistics over the course of this year support that decision however, since October numbers have started to decline. Given on-going uncertainty about the longevity of the pandemic, a prudent approach has been taken in the 2022/23 taxbase calculation, to maintain assumed CTRS numbers at the January 2022 levels.
- 2.4. A key element of the council tax base calculation is the projected collection rate. In-year monitoring of Council Tax collection has indicated that the impact of the pandemic has stabilised and as a result the collection rate has been increased to 95.75% for 2022/23 (95.5% 2021/22) with a view to increasing further in future years to move back to pre-pandemic rates.
- 2.5. These adjustments have resulted in the number of Band D equivalent properties being increased by 2,759 compared to the previous year. This equates to an increase in council tax income of approximately £3.9m 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). This is in line with the draft 2022/23 Budget/MTFSS 2022/27 reported to Cabinet on 8 December.

- 2.6. The Provisional Local Government Finance Settlement issued in December 2021 confirmed Local Authorities have the power to increase Council Tax by 1.99%, as well as to charge an additional 1% for the Adult Social Care Precept. As a result, and subject to Full Council approval on 1st March, an increase of 2.99% 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 **79,303** for the year 2022/23 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 **95.75%** for 2022/23.

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 CAB.
- 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. The calculation below sets the tax base and not the council tax amount itself which is due to be set on 1st March 2022 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	3,145
B	9,526
C	22,394
D	21,027
E	11,026
F	6,880
G	7,428
H	1,398
TOTAL	82,823

*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 2,672 higher than the relevant amount for 2021/22. This increase is attributed to the estimated increase in new dwellings coming into rating and the stabilisation of CTRS Claimant numbers.

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 2022/23 collection rates are forecast at 95.75%, a small increase on the 2021/22 rate reflecting the lessening impact of the C19 pandemic on residents.

Council Tax Base

7.7. The tax base is calculated by applying the following formula:

$$A \times B = T$$

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 2022/23 is as follows:

2022/23	
Total Amount of Relevantants (A)	82,823
X	
Collection Rate (B)	95.75%
Council Tax Base (T)	79,303

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 2022 will be used to set the council tax amount for 2022/23 that will be recommended to Full Council on 1st March 2022.

Assistant Director of Corporate Governance's Comments

9.2. The Head of Legal and Governance has been consulted in the preparation of this report, and makes the following comments.

9.3. Pursuant to the Council's Constitution at Part Two – Articles of the Constitution - Article 4, paragraph 4.01(b) the decision on setting the council tax is delegated by Full Council to the s151 officer in consultation with CAB and the Cabinet Member for Finance.

Pursuant to the Local Government Finance Act 1992 (the Act) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (the Regulations), the Council is required 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.

9.4. In light of the above, coupled with (1) the assurance given at paragraph 7.8 above that the calculation has been conducted in accordance with the requirements under the Act and the Regulations, and (2) the equality comments below, there is no legal reason why the Director of Finance and Section 151 Officer cannot adopt the Recommendations contained in this report.

9.5. Equality Comments

9.6. 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.

9.7. 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.

9.8. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2022/23. 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.

9.9. It is forecast that the number of Council Tax Reduction Scheme (CTRS) claimants will be in line with those presenting in January 2022. 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 2022/23.

11. Local Government (Access to Information) Act 1985

11.1. For access to the background papers or any further information please contact Frances Palopoli.

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 $Q = (R \times S)$

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

- 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	2022/23 Total
H	2	7,682	18,984	34,472	26,827	10,964	5,352	4,676	711	109,668
Q	0	-1,100	-2,550	-3,282	-1,757	-619	-225	-159	-19	-9,710
E	0	449	488	450	474	18	14	10	11	1,914
J	0	0	0	0	0	0	0	0	0	0
(H-Q+E+J)	-1	7,031	16,922	31,640	25,544	10,363	5,142	4,527	703	101,872
Z	0	-2,313	-4,674	-6,447	-4,518	-1,342	-378	-70	-4	-19,748
(H-Q+E+J) - Z	-1	4,718	12,248	25,193	21,027	9,021	4,763	4,457	699	82,125
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)		3,145	9,526	22,394	21,027	11,026	6,880	7,428	1,398	82,823

The table below compares the 2022/23 calculations with those for 2021/22 and highlights where the biggest changes are estimated to occur.

Calculation Item	2021/22 Tax Base	2022/23 Tax Base	Change
H	108,824	109,668	844
Q	-9,220	-9,710	-490
E	360	1,914	1,554
(H-Q+E)	99,965	101,872	1,908
Z	-20,784	-19,748	1,036
(H-Q+E) - Z	79,181	82,125	2,944
((H-Q+E) - Z) x (F/G)	80,151	82,823	2,672
Collection Rate	95.50%	95.75%	
Council tax base	76,544	79,303	2,759

Annex 2

Cash Limit analysed at Priority Level 2022/23

Priority Area	2022/23 £'000
Housing	16,939
People - Children	61,169
People - Adults	84,175
Place	19,642
Economy	7,154
Your Council	36,333
Council Wide	37,511
Council Cash Limit	262,923

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 £20.0m.

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.
- 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 debt related costs including the potential repayment of debt and for funding of future capital expenditure, and management of risk inherent within the Council's treasury management activities.
- 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. These come with conditions setting out how the funding must be used.
- 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. **The Strategic Budget Planning Reserve** – This 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. **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.
- k. **The Collection Fund Smoothing Reserve** – This reserve helps to manage the impact of the C19 pandemic on the Collection Fund in terms of losses (including potential losses from the London Pool), but also in terms of the profiling of when the impact of government support and arrears hit the Council's General Fund. As local tax revenue has become a more significant source of income for the authority over

recent years, this reserve will be vital tool beyond the pandemic to smooth funding streams across the MTFS period.

- I. **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.

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 maintenance of the General Fund un-earmarked balance at £15.8m during 2022/23 is appropriate.
- 1.3. The risks set out in Annex 3c assess a potential financial impact at £20.5m for 2022/23; the Chief Finance Officer (CFO) regards this as being sufficient to cover the assessed 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 2022/23 including the efficient delivery of agreed savings.
- 1.4. The 2022/23 figure for general balances (£15.8m) represents 6.0% of the Council's budget requirement.
- 1.5. The estimates of the reserves position at 31.3.2022 (based on period 10 2021/22), 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.
- 1.6. Excluding the Collection Fund Smoothing reserve, which is predominately covering the timing of the accounting adjustments required as a result of C19 and was therefore always expected to reduce significantly during this year, the other earmarked reserve balances are forecast to remain relatively constant at the end of the 2021/22 financial year compared to the opening balances.

Projected Reserves Position (Based on the position at Period 10 - 2021/22)

Description (£'000)	Balance at 31/03/21	FORECAST			
		Transfer In 2021-22	Transfer Out 2021-22	Transfers during Qtr4	Balance at 31/03/22
General Fund Reserve	(15,827)	0	0	0	(15,827)
General Fund earmarked reserves:					
Schools reserve	(12,946)				(12,946)
Transformation reserve	(13,702)		1,312		(12,390)
Services reserve	(9,567)		722		(8,845)
PFI lifecycle reserve	(16,472)				(16,472)
Treasury reserve	(5,046)				(5,046)
Insurance reserve	(9,051)				(9,051)
Unspent grants reserve	(9,183)		113		(9,070)
Labour market growth resilience reserve	(446)				(446)
Strategic Budget Planning reserve	(10,491)				(10,491)
Budget resilience reserve	(7,303)				(7,303)
Other reserves	(726)				(726)
Collection Fund Smoothing reserve	(22,229)			10,700	(11,529)
GF earmarked reserves:	(117,162)	0	2,147	10,700	(104,315)
Total General Fund Usable Reserves	(132,989)	0	2,147	10,700	(120,142)
Housing Revenue Account (HRA)	(14,162)	0	0	0	(14,162)
HRA earmarked Reserves:					
Homes for Haringey	(708)	0	0	0	(708)
HRA earmarked reserves	(708)	0	0	0	(708)
Total HRA Usable Reserves	(14,870)	0	0	0	(14,870)

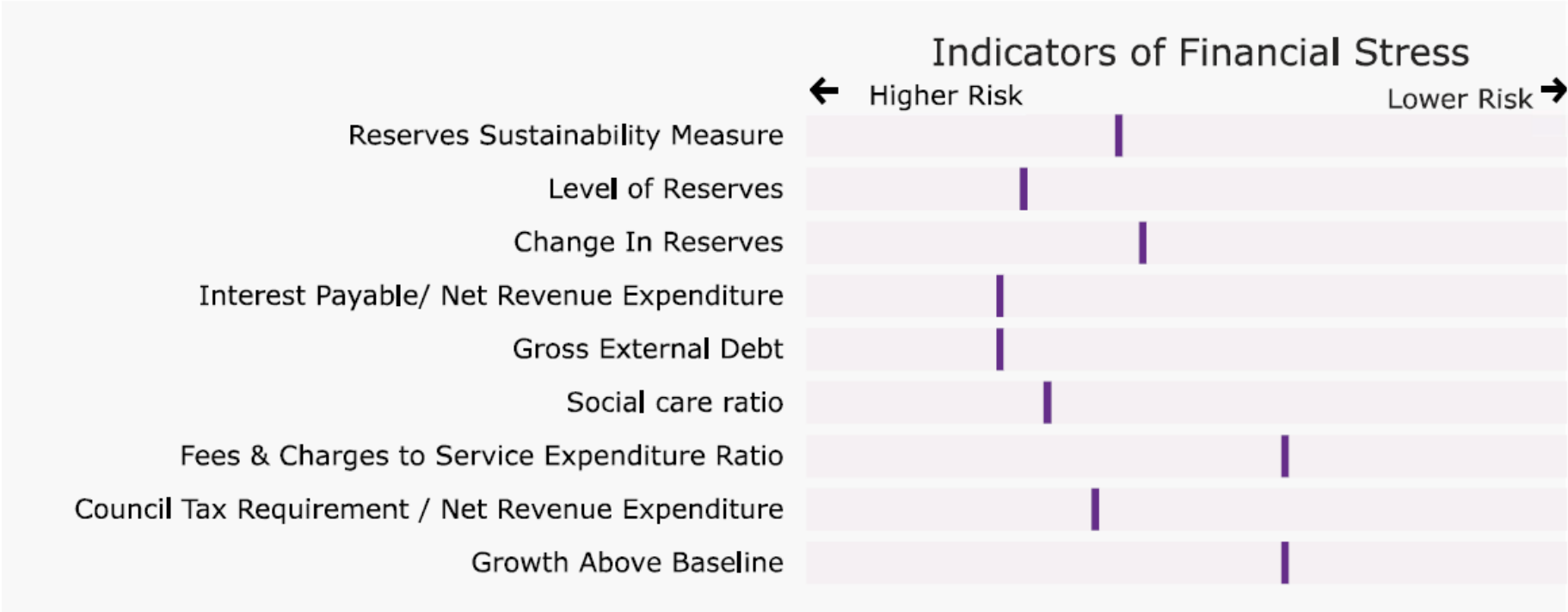
Adequacy of Reserves - Risk Assessment 2022/23

Three key assessment areas:

1. Identification of risks during 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	61.2	A High level risk assessment (10%) has been applied to the budget amount potentially at risk	15.4
Adults Social Services	84.2		
Temporary Accommodation	8.2		
2. Budget Reduction Proposals			
- Delivery Programme	11.9	High level risk (10%) on savings proposals for 2022/23 after taking into account contingencies available	1.2
3. Other Service Unidentified Risks		Estimated	4.0
Total Risks			20.5
Less Resilience Reserve			7.3
Less un-earmarked (General) reserves for the above			15.8
Available after risks			2.6

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.

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London Borough of Haringey Treasury Management Strategy Statement 2022/23

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

Economic background

- 2.1. The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
- 2.2. In December 2021, the Bank of England (BoE) increased Bank Rate to 0.25% while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.
- 2.3. Within the announcement, the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with its expectations. However, with the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%.
- 2.4. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the

unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

- 2.5. UK CPI for November 2021 recorded an increase of 5.1% year-on-year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% year on year from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
- 2.6. In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.
- 2.7. Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% rise over the quarter. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
- 2.8. GDP growth in the euro zone increased by 2.2% in Q3 2021 following a gain of 2.1% in the second quarter and a decline of 0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% year-on-year in November, the fourth month of successive increases from July's 0.7% year-on-year. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.
- 2.9. The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% interest rate movements now expected by the markets.

Credit Outlook

- 2.10. Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

- 2.11. The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
- 2.12. Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast

- 2.13. The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in the first quarter of 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.
- 2.14. Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.
- 2.15. Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.
- 2.16. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.
- 2.17. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.50%, and that new long-term loans will be borrowed at an average rate of 3.00%.

3. Local Context

- 3.1. On 30th November 2021, the Authority held £617.2m of borrowing and £10.1m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast (Capital Financing Requirement)

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
General Fund CFR	505.5	655.5	817.4	961.8	1,053.2	1,096.6	1,090.8
HRA CFR	332.3	405.0	558.1	860.2	1,110.9	1,212.3	1,262.4
Total CFR	837.8	1,060.5	1,375.5	1,822.0	2,164.1	2,308.9	2,353.2

Less: Other debt liabilities*	-27.3	-23.5	-19.5	-15.3	-10.9	-8.4	-7.9
Loans CFR	810.5	1,037.0	1,356.0	1,806.7	2,153.2	2,300.5	2,345.3
Less: Internal borrowing	-254.6	-145.8	-151.4	-169.7	-175.6	-180.3	-184.0
CFR Funded by External Borrowing	555.9	891.2	1,204.6	1,637.0	1,977.6	2,120.2	2,161.3
Breakdown of External Borrowing:							
Existing borrowing**	555.9	655.9	569.5	543.3	531.6	522.1	512.6
New borrowing to be raised	-	235.3	635.1	1,093.7	1,446.0	1,598.1	1,648.7

* 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 £1,643.3m 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 1 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). The Authority'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 Authority's capital programme, however all capital plans are assessed in their entirety (i.e. some schemes are for a greater than five 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 2: Year-end Borrowing Position Summary

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
General Fund borrowing	281.4	499.1	665.8	816.4	912.0	956.7	951.2
HRA borrowing	274.5	392.1	538.8	820.6	1,065.6	1,163.5	1,210.1
Total borrowing	555.9	891.2	1,204.6	1,637.0	1,977.6	2,120.2	2,161.3

4. Borrowing Strategy

- 4.1. The Authority estimates that it will hold £656m of loans as part of its strategy for funding previous years' capital programmes at 31 March 2022. The balance sheet forecast in table 1 shows that the Authority expects to increase its borrowing by up to £637m by the

end of 2022/23. 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 3 of this report.

Objectives

- 4.2. 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.

Strategy

- 4.3. 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. The size of the Council's capital programme, and the need to diversify the Council's debt portfolio to further minimise refinancing risk means that long term borrowing will be required during 2022/23. Therefore, the Authority's strategy will be to fulfil its borrowing requirement during the financial year with a mixture of short and long term borrowing.
- 4.4. 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 using short-term loans to finance the General Fund's capital programme. However, a significant portion of the HRA capital programme will continue to be financed by long-term borrowing, in line with the HRA business plan.
- 4.5. By doing so, the Authority aims 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 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.6. 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 therefore retain its access to PWLB loans.
- 4.7. 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.

Sources of Borrowing

- 4.8. 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

Other Sources of Debt Finance

4.9. In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and lease back

Municipal Bonds Agency

4.10. 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.

LOBOs

4.11. 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. £50m of these LOBOs have options during 2022/23, 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.

4.12. 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 Authority over the life of

the loan in net present value terms, and all costs are consistent with Haringey's approved medium term financial strategy. The decision to repay a LOBO loan will be determined by the S151 Officer, in line with Haringey's constitution.

- 4.13. 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.
- 4.14. 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 Authority's total borrowing.

Short-term and Variable Rate Loans

- 4.15. 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).

Debt Rescheduling

- 4.16. 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.

Borrowing Limits

- 4.17. The council's total borrowing limits are set out in table 3 on the following page.
- 4.18. 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.
- 4.19. 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.
- 4.20. The Chief Finance Officer has the 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 3: Borrowing Limits

	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m	2026/27 Limit £m
Authorised limit - borrowing	1,272.4	1,286.0	1,736.7	2,083.2	2,230.5	2,275.2
Authorised limit - PFI & Leases	31.0	25.7	20.2	14.4	11.1	10.5
Authorised limit - total external debt	1,303.4	1,311.7	1,756.9	2,097.6	2,241.6	2,285.7
Operational boundary - borrowing	1,222.4	1,236.0	1,686.7	2,033.2	2,180.5	2,225.2
Operational boundary - PFI & Leases	28.2	23.4	18.4	13.1	10.1	9.5
Operational boundary - total external debt	1,250.6	1,259.4	1,705.1	2,046.3	2,190.6	2,234.7

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 £10.1 and £44.9 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)

Objectives

- 5.2. 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.

Negative interest rates

- 5.3. The COVID-19 pandemic had 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. However, given the current economic outlook, this scenario is considered unlikely.

Strategy

- 5.4. 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 2022/23, 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 the treasury investment strategy.

Business Models

- 5.5. 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.

Approved Counterparties

- 5.6. The Authority may invest its surplus funds with any of the counterparty types in table 4 below, subject to the limits shown.

Table 4: 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
Registered 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

Minimum Credit Rating

- 5.7. 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.

Government

- 5.8. 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.

Bank Secured Investments

- 5.9. 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.

Banks and Building Societies (unsecured)

- 5.10. 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.

Registered Providers (unsecured)

- 5.11. 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.

Money Market Funds

- 5.12. 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.

Pooled Funds

- 5.13. 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.

Real Estate Investment Trusts

- 5.14. 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.

Operational Bank Accounts

- 5.15. The Authority may incur operational exposures, for example through 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.

Risk Assessment and Credit Ratings

5.16. 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.

Other Information on the Security of Investments

5.18. 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.

Investment Limits

5.20. The Authority's revenue reserves available to cover investment losses are forecast to be £5 million on 31st March 2022. 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 5: Additional Investment Limits

	Cash Limit
Any single organisation, except the UK Central Government	£5m 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.

Liquidity Management

- 5.22. 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

Non-Treasury Management Investments

- 6.1. The Authority invests its money for three broad purposes:
- **Treasury management investments** – where the Authority has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure,
 - **Service investments** – to support local public services by lending to or buying shares in other organisations,
 - **Commercial investments** – where the main purpose of the investment is to earn an investment income
- 6.2. 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.

Treasury Management Investments

- 6.3. 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 (CIPFA). The balance of treasury management investments is expected to fluctuate between £10 million and £50 million during the 2022/23 financial year.

- 6.4. **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 6.5. **Further details:** Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in the previous section, section 5 of this report

Service Investments

- 6.6. **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.
- 6.7. **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 March 2021 were as follows:

Table 6: Loans for service purposes in £ millions

Category of borrower	31.03.21 Balance £m	Loss allowance £m	31.03.21 Net figure in accounts £m
Subsidiaries	17.5	0.0	17.5
Local Businesses	2.1	-0.7	1.4
Local Charities	49.3	-43.5	5.8
Local Residents	0.1	0.0	0.1
Total Investments	69.0	-44.2	24.8

- 6.8. 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 £49.3m. 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 Authority, Haringey Council, expended funds on behalf of the Trust. Although the £43.1m debt has not been legally discharged, the Authority has agreed that it will only seek to recover this when the Trust is in a position to repay amounts due.
- 6.9. 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. Loans issued to local business are arranged through the Opportunity Investment Fund.
- 6.10. 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 2020/21 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.

- 6.11. **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 Authority's capital programme, further details of which are in the Authority's annual medium term financial strategy.

Commercial Investments: Property

- 6.12. **Contribution:** The Authority holds properties which are classified as 'investment properties' in the Authority'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.
- 6.13. The value of investment properties disclosed in the 2020/21 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 Authority'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 Authority 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 Authority'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 7: Total Investment Exposure

Investment Type	31.03.21 Actual £m	31.03.22 Forecast £m	31.03.23 Forecast £m
Treasury management investments	17.0	15.0	15.0
Service investments: loans	24.8	24.8	24.8
Commercial investments: property	88.6	88.6	88.6
Total Investments	130.4	128.4	128.4

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 8: Investments Funded by External Borrowing

Investment Type	31.03.21 Actual £m	31.03.22 Forecast £m	31.03.23 Forecast £m
Treasury management investments	0.0	0.0	0.0
Service investments: loans	17.0	21.3	22.0
Commercial investments: property	60.8	76.1	78.7
Total Investments	77.8	97.4	100.7

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 9: Investment Rate of Return

Investment Type	31.03.21 Actual	31.03.22 Forecast	31.03.23 Forecast
Treasury management investments	0.44%	0.50%	0.50%
Service investments: loans	0.77%	0.77%	0.77%
Commercial investments: property	6.20%	4.00%	4.00%
Total Investments	4.42%	2.97%	2.97%

9. Treasury Management Prudential 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	Target
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£2m
Upper limit on one-year revenue impact of a 1% <u>fall</u> 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	Target
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	2022/23	2023/24	2024/25
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 former 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 at 2% of that CFR, fixed at the same cash value so that the whole debt is repaid after 50 years in total.

10.6. 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.

10.7. 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.

10.8. The table below summarises the historic overprovision position on pre 2008 General Fund expenditure:

Table 10: Summary of historic overprovision of MRP on pre 2008 GF expenditure

Investment Type	£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	32.8

10.9. The remaining overprovision of MRP as at 31.3.2021 was £7.8m. 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 11: Estimated MRP charges on GF pre 2008 expenditure

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £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	-2.7	0.0	0.0	0.0	0.0
Net MRP charge for pre 2008 expenditure	0.0	2.3	5.0	5.0	5.0	5.0

General Fund MRP policy: prudential borrowing from 2007/08

10.10. 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.

10.11. 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.

- 10.12. 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.
- 10.13. 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

- 10.14. 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

- 10.15. 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

- 10.16. 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

- 10.17. 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.
- 10.18. 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.
- 10.19. 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.

Financial Derivatives

- 11.2. 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, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk will be included to 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.

Housing Revenue Account

- 11.6. 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.

Markets in Financial Instruments Directive

- 11.7. 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, the Director of Finance (S151 Officer) believes this to be the most appropriate status.

12. Revenue Budget Implications

- 12.1. The budget for investment income in 2022/23 is £75k based on an average investment portfolio of £15 million at an interest rate of 0.50%. This is assumed to remain constant throughout the MTFS.
- 12.2. The budget for debt interest paid in 2022/23 is detailed in the table 12 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. Table 12 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 12: Revenue budget for interest costs and MRP:

	2021/22 Forecast £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m
MRP - pre 2008 expenditure	0.0	2.3	5.0	5.0	5.0	5.0
MRP - post 2008 expenditure	8.7	11.1	14.4	18.4	21.5	23.8
Total MRP	8.7	13.4	19.4	23.4	26.5	28.8
Interest Costs (GF)	8.6	11.3	14.8	17.0	18.2	18.6
Total Gross Capital Financing Costs (GF)	17.3	24.7	34.2	40.4	44.7	47.4
Offsetting Savings for self-financing schemes	-5.2	-8.8	-12.1	-14.9	-18.5	-18.0
Total Net Capital Financing Costs (GF)	12.1	15.9	22.1	25.5	26.2	29.4
Interest Costs (HRA)	16.2	14.9	21.0	28.2	32.5	34.3

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 2021**Underlying assumptions:**

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and is expected to rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- The factors outlined above prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty. Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.

- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market rate													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

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 17 January 2022 the Director of Finance and Section 151 Officer, after consultation with the Cabinet Member for Finance, calculated the 2022/23 Council Tax Base for the whole Council area as **79,303**.
2. The Council Tax Requirement for the Council's own purposes for 2022/23 is calculated as **£117,695,960**
3. That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act:
 - a) **£1,013,537,582**
 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) **£895,841,622**
 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) **£117,695,960** 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) **£1484.13**
 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 2022/23 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
£	£	£	£	£	£	£	£
989.42	1154.32	1319.23	1484.13	1813.94	2143.74	2473.55	2968.26

GREATER LONDON AUTHORITY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
263.73	307.68	351.64	395.59	483.50	571.41	659.32	791.18

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1253.15	1462.00	1670.87	1879.72	2297.44	2715.15	3132.87	3759.44

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 2022/23 as set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23, it is determined that the Council's relevant basic amount of Council Tax for the year is not excessive.