

Cabinet

Agenda

MONDAY
9 JANUARY 2023
7.00 pm

MAIN HALL
FIRST FLOOR
3 SHORTLANDS
LONDON W6 8DA

Watch the meeting
live on YouTube:
<https://youtu.be/fiXpxamZjLc>

Date Issued
23 December 2022

Membership

Councillor Stephen Cowan, Leader of the Council
Councillor Ben Coleman, Deputy Leader
Councillor Rebecca Harvey, Cabinet Member for Social Inclusion and
Community Safety
Councillor Bora Kwon, Cabinet Member for Civic Renewal,
Councillor Alex Sanderson, Cabinet Member for Children and Education
Councillor Wesley Harcourt, Cabinet Member for Climate Change and
Ecology
Councillor Andrew Jones, Cabinet Member for The Economy,
Councillor Frances Umeh, Cabinet Member for Housing and
Homelessness
Councillor Rowan Ree, Cabinet Member for Finance and Reform
Councillor Sharon Holder, Cabinet Member for Public Realm

If you require further information relating to this agenda please contact:
Katia Neale, Committee Coordinator, tel: 07776 672 956 or email:
katia.neale@lbhf.gov.uk

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website: www.lbhf.gov.uk/councillors-and-democracy

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention that it may want to hold part of this meeting in private to consider the exempt elements of items 11-12 which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

The Cabinet has received no representations as to why the relevant part of the meeting should not be held in private.

Members of the Public are welcome to attend but spaces are limited. To register for a place please contact katia.neale@lbhf.gov.uk. Seats will be allocated on a first come first serve basis. A loop system for hearing impairment is provided, together with disabled access to the building.



Shortlands

3 Shortlands,
Hammersmith,
London W6 8DA

 **Closest Underground Station**
Hammersmith

 **Closest Bus Stop**
Latymer Court (Stop G)

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on item numbers **4-12** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to Katia Neale at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 4 January 2023.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Tuesday 10 January 2023**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Friday 13 January 2023 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Friday 13 January 2023**.

Cabinet Agenda

9 January 2023

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1. MINUTES OF THE CABINET MEETING HELD ON 5 DECEMBER 2022	5 - 9
2. APOLOGIES FOR ABSENCE	
3. DECLARATION OF INTERESTS	
<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
4. COST OF LIVING CRISIS AND CLIMATE EMERGENCY RESPONSE - CHANGES TO PARKING CHARGES	10 - 18
5. MEMBERSHIP OF PAN LONDON VEHICLE (PLV) FOR COMMISSIONING CHILDREN'S SOCIAL CARE PLACEMENTS	19 - 40
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This report has one appendix which contains information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are not for publication. The appendix has therefore been circulated to Cabinet Members only.

Any discussions on the contents of an exempt appendix will require Cabinet to pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press the proceedings for that discussion.

12.	PROCUREMENT STRATEGY FOR THE HOUSING CARETAKING SERVICE	317 - 330
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13.	FORWARD PLAN OF KEY DECISIONS	331 - 371
14.	DISCUSSION OF EXEMPT ELEMENTS (IF REQUIRED)	

LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

Proposed resolution:

Under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

London Borough of Hammersmith & Fulham

Cabinet

Minutes



Monday 5 December 2022

NOTE: This meeting was held remotely. A recording of the meeting can be watched at on YouTube at: <https://www.youtube.com/watch?v=NBFuaZ49314>

PRESENT

Councillor Ben Coleman, Deputy Leader
Councillor Wesley Harcourt, Cabinet Member for Climate Change and Ecology
Councillor Sharon Holder, Cabinet Member for Public Realm
Councillor Rebecca Harvey, Cabinet Member for Social Inclusion and Community Safety
Councillor Alex Sanderson, Cabinet Member for Children and Education
Councillor Frances Umeh, Cabinet Member for Housing and Homelessness

ALSO PRESENT

Councillor Adronie Alford

ALSO PRESENT VIRTUALLY

Councillor Rowan Ree, Cabinet Member for Finance and Reform

APPOINTMENT OF CHAIR

In the absence of the Leader the Deputy Leader, Councillor Ben Coleman chaired the meeting.

1. MINUTES OF THE CABINET MEETING HELD ON 7 NOVEMBER 2022

That the minutes of the meeting of the Cabinet held On 7 November 2022 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Stephen Cowan, Councillor Andrew Jones and Councillor Bora Kwon. Councillor Rowan Ree attended virtually and did not vote.

3. DECLARATION OF INTERESTS

There were no declarations of interest.

4. PROCUREMENT STRATEGY FOR MAJOR REFURBISHMENT PROJECTS FORMING PART OF THE HOUSING CAPITAL PROGRAMME 2022/23-2025/26

Councillor Frances Umeh introduced the report requesting to approve a procurement strategy to enable the Council to appoint contractors for a series of major refurbishments on 22 schemes across the borough, including window replacement, structural works and insulation improvements. There was a need to invest in Council's housing stock and this work would also help progressing with the Council's ambitions including cutting carbon emissions, improving energy efficiency, tackling fuel poverty, and complying with statutory fire safety regulations.

Councillor Adronie Alford, the Conservative Spokesperson for Housing, pointed out that Chasemore House & Donnelly Court were not getting the same works as most of the other blocks as there was no mention of replacement windows. These two blocks were situated in the middle of the redevelopment of Hartopp & Lannoy and they suffered from a lack of insulation. She hoped that once works commenced they would also get more than cosmetic works.

Councillor Frances Umeh replied that the works listed for the schemes on this report were based on a housing stock condition survey to improve residents homes and included more than just cosmetic works. These properties had been severely under invested in over many years due to the lack of funding coming from Central Government. She assured that Chasemore House & Donnelly Court would not be overlooked.

AGREED UNANIMOUSLY BY THE CABINET MEMBERS:

1. That Cabinet approves the procurement strategy proposing the use of the South East Consortium's suite of public sector frameworks to source works contractors to enable the delivery of projects outlined in Appendix 1.
2. That Cabinet delegates authority to the Strategic Director for the Economy, in consultation with the Cabinet Member for Housing and Homelessness, to approve future amendments to the proposed projects and programmes in Appendix 1 for operational reasons where such amendments can be contained within the overall approved budget envelope and available resources.
3. That Cabinet notes that any external grant funding secured will be in addition to the estimated budgets identified in Appendix 1.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

5. PLANNING OBLIGATIONS DRAW DOWN REPORT 2021/22

Councillor Rowan Ree introduced the report virtually via Zoom.

Councillor Adronie Alford stated that the report seemed to be misleading as Hartopp & Lannoy was situated on Pellant Road and there was no other area on the road for a redevelopment. The pictures on the report implied that there were two developments, Hartopp & Lannoy and Pellant Road, therefore it should be clarified that it was just one scheme.

Councillor Ben Coleman replied that they would take her point into consideration.

AGREED UNANIMOUSLY BY THE CABINET MEMBERS:

That Cabinet approves the 2021/22 drawdown of Section 106 and Community Infrastructure Levy monies as set out in this report and in the 2021/22 Drawdown Report attached at Appendix A, to fund expenditure of £17,484,381.15 including £377,210.49 of s.106 and CIL monitoring and administration costs.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

6. ANNUAL EMERGENCY PLANNING & BUSINESS CONTINUITY REPORT

Councillor Rebecca Harvey stated that the Council had responsibilities to plan and respond to emergencies and to have business continuity arrangements in place to reduce the risk of service disruption. This annual report provided an overview of activity over the previous year and the priorities and work plan for the forthcoming year.

AGREED UNANIMOUSLY BY THE CABINET MEMBERS:

That Cabinet notes the report which looks back on work undertaken over the last 15 months (running 01/07/21 to 30/09/22) and the work plan for the remainder of 2022/2023.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

7. HOME CARE AND INDEPENDENT LIVING - IMPROVING THE QUALITY OF SUPPORT WE OFFER RESIDENTS AT HOME

Councillor Ben Coleman stated that since 2015 the Council was providing home care in the borough for free at the point of need, being the only Council in the country to do so. The Council was also committed to supporting residents with independent living, enabling them to live their lives with greater control. This report was seeking agreement for the procurement of a newly named Home Care and Independent Living service. The aim was to provide a range of care at home to support independent living and improves on the quality of the service residents currently received. It was extremely important to attract and keep an excellent workforce to keep consistent good quality of care.

Councillor Adronie Alford asked whether there would be a monitoring process to control quality of care.

Councillor Ben Coleman replied that currently they were being monitored through a vigorous performance management and with the various new providers there would be continuous strong measures of the quality of care provided. This was one of the key Council's priorities.

AGREED UNANIMOUSLY BY THE CABINET MEMBERS:

- 4. Cabinet to approve the procurement strategy set out here. The contracts will be awarded for five years, with the option to extend for another two years. The financial implications are set out in exempt Appendix A.
- 5. Notes that Appendix A is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

8. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

9. DISCUSSION OF EXEMPT ELEMENTS (ONLY IF REQUIRED)

There was no discussion of exempt elements.

Meeting started: 7.04 pm

Meeting ended: 7.18 pm

Chair

Agenda Item 4

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: Cost of living crisis and climate emergency response – changes to parking charges

Report of: Cabinet Member for Public Realm, Councillor Sharon Holder

Report author: John Galsworthy, Assistant Director for Parking Service

Responsible Director: Bram Kainth, Strategic Director of Environment

SUMMARY

H&F proposes to implement new emissions-based parking charge bands and improve the offer for residents visiting friends and family or shopping across the borough. The policy will decrease charges on 80% of vehicles.

This policy will support our net carbon zero 2030 target and clean air neighbourhood strategy while helping residents tackle the cost-of-living crisis. It also supports businesses in the face of a potential recession.

The new banding will incentivise people to transition to electric and low emission vehicles and maintain a policy targeted at non-residents who use the borough as a cheap car park.

In October, the energy price cap was hiked, a typical domestic household will have to pay £2,500 a year for gas and electricity. The cost-of-living crisis has also seen inflation rise above 9% and fuel top £2 a litre.

The policy is required as a significant component of the administration's programme to support residents through the cost-of-living crisis.

RECOMMENDATIONS

1. To approve the new short stay parking tariffs as set out in the Table 4 below.
 2. To delegate the implementation of recommendation above to the Strategic Director of Environment.
-

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Will stimulate the local economy by enabling more stop and shop parking.
Creating a compassionate council	Reduces the cost of parking for residents coping with cost-of-living crisis
Doing things with local residents, not to them	Manifesto pledge in response to feedback from residents
Being ruthlessly financially efficient	Not applicable—parking fees are set based on parking policy rather than council budgets
Taking pride in H&F	
Rising to the challenge of the climate and ecological emergency	The emission-based price banding incentivises green vehicle use over polluting vehicles.

Financial Impact

1. The financial impact of the proposed policies will be affected by wider regional and local transport policies on vehicle emissions. The reduction in parking income will be accounted for through the Controlled Parking Account.
2. The impact in future years from 2023/24 is also expected to be managed within cash limited budgets after taking into account the introduction of new parking policies and enforcement arrangements.

Gary Hannaway, Head of Parking Finance, 27/07/2022

Verified by Sukvinder Kalsi, Director of Finance, 27/07/2022

Legal Implications

3. The report proposes to bring changes to payments for parking and implement new emissions- based parking charge bands. Under S.45 and 46 of the Road Traffic Regulation Act 1984, the Council can designate parking places on the highway to charge for parking in these places and to make a charge for parking permits for their use. The Council can also introduce differential permit charges between vehicles of different classes based on factors including their level and type of emissions.
4. S.122 of the Road Traffic Regulation Act 1984 sets out the considerations that must be taken into account by the Council in exercising their powers in

relation to parking. The Council must exercise its powers under this section so as to secure the expeditious, convenient, and safe movement of vehicular and other traffic including pedestrians, and the provision of suitable and adequate parking facilities on and off the highway.

5. These powers must be exercised as far as practicable having regard to the following matters:
 - a. the desirability of securing and maintaining reasonable access to premises.
 - b. the effect on the amenities of any locality affected including the regulation and restriction of heavy commercial traffic so as to preserve or improve amenity.
 - c. the national air quality strategy.
 - d. the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles.
 - e. any other matters appearing to the Council to be relevant

6. When designating and charging for parking places the Council should be governed solely by the section 122 purposes. In reaching this decision, the Council will need to ensure that it follows all necessary consultation requirements. In doing so, the council will need to give public notice of the proposal and seek the opinions of the statutory consultees such as Royal Mail and the emergency services.

John Sharland, Senior solicitor, (Contracts and procurement)
Dated 26 July 2022

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS
Proposals and Analysis of Options

7. In 2020, at the height of the Covid-19 pandemic, the council introduced higher parking charges to discourage the increased numbers of out-of-borough motorists using H&F as a cheap car park, including those driving in from the A3, M4 and M40 corridors and parking in the borough to travel onward by tubes into Central London.
8. Many residents reported to councillors and officer that they have felt put off from visiting friends and services in the borough by the higher cost of parking outside their residential zone. This has particularly affected older and Disabled people and those struggling with the cost- of- living crisis.
9. The council also promoted and continues to promote the resident visitor parking scheme which has a fixed £1.80 tariff so that essential parking for visitors remained affordable as well as introducing more 20p shopper parking in local shopping areas to stimulate the local economy.
10. It is noted that having the tariff based on emissions and fuel type has significantly changed the profile of the types of vehicles parking and the locations to where they park. This model therefore has more success in delivering our aims over the single tariff model or fuel type only model used in other borough such as Westminster. It is expected that increasing the number of emission tiers will increase the volume of greener vehicles parking in the borough reducing the vehicle impacts on the environment.
11. Table 1 shows the comparison of monthly parking activity pre and post the change in tariffs. Overall parking activity went up 24% (driven mainly by significant increase in the use of visitor parking schemes and the shopper parking scheme), whilst the standard Pay & Display activity fell 27%

Sessions	Pre EBC	Post EBC
Resident Visitor Permits	11500	29500
Shopper	4389	6051
Pay & Display	25800	16400
Total	41689	51951

Table 1: *breakdown of monthly parking sessions by type*

12. Table 2 highlights that the emissions-based charges (EBC) did alter the mix of vehicle types showing an increase of greener vehicles

Sessions by fuel type	Pre EBC	Post EBC
Diesel	58%	44.50%
Petrol	40.60%	52.40%
Electric	1.10%	3.10%

Table 2: breakdown of vehicle type by monthly parking sessions

13. In October, the energy price cap was hiked, a typical domestic household will have to pay £2,500 a year for gas and electricity. The cost-of-living crisis has also seen inflation rise above 10% and fuel top £2 a litre. This is naturally reducing the amount of travel activity on the road and increasing the stress on businesses as shopper levels fall. This has to be balanced with the climate emergency and delivery on net zero.
14. This report delivers on the administration's manifesto commitment to support residents during the cost-of-living crisis by reducing parking charges. A further review will look at free parking for H&F residents with clean vehicles outside of high-volume neighbourhoods and rush hour and school-run traffic.

Tariff changes

15. We propose to replace the current banding system with four new emission-based bands starting at £2.50 per hour for electric vehicles.
16. Petrol or hybrid vehicles which are ULEZ compliant will see a reduction from current charges of £5 per hour to £3.50 or £4.25 per hour depending on their CO2 emissions.
17. A £6 per hour charge band will be applied only to a small proportion of parking sessions those with most polluting vehicles.

Table 3: Current Tariffs

Band	CO2	Petrol	Diesel surcharge
1	under 75	£ 3.00	£1.00
2	over 75	£ 5.00	£1.00

Table 4: Proposed Tariffs

Band	CO2	Petrol
1	0-75	£ 2.50
2	76-130	£ 3.50

3	131-190	£ 4.25
4	191+	£ 5.00

A diesel surcharge of £1 will be applied to vehicles in any of the above bands due to the extremely negative impact of diesel vehicles on air quality.

Reasons for Decision

1. The existing tariffs have only two bands: the lower band for pure electric vehicles and the higher band for all other vehicles, which includes hybrids and low emission petrol vehicles. This meant that many residents who had actively bought or leased greener vehicles to support tackling the climate emergency were surprised and disappointed to see their parking charge rise from £3.20 an hour to £5 an hour.
2. Table 5 shows the estimated monthly split of vehicles and the new tariffs, showing 77% of vehicles will return to prices similar to pre-emission-based parking.

Band	Vehicle Split		Number of parking sessions per month	
	All	diesel	All	Diesel
1	27%	2%	4486	328
2	50%	21%	8187	3509
3	21%	18%	3432	3003
4	2%	1%	295	148

Table 5: *expected vehicle volumes per tariff band.*

0-75 g/km ULEV	76-130 g/km	131-190 g/km	>191 g/km
Nissan LEAF Smart ForFour Mazda MX-30 Mini Electric VW ID.3 BMW i3, iX, Audi Q4 e-tron Merc EQA Tesla M3	Audi A1, A3 BMW 1,2,3 Citroen C3,C4,C5 post 2018 Ford Fiesta, Focus Honda Civic, Jazz Kia Ceed Lexus GS VW Up, Polo, Passat, Golf	Audi A4, A5, A6 BMW 4,5,6,7 Citroen C3,C4,C5 pre 2018 Ford Galaxy Honda HR-V Kia Rio Lexus RX Mazda 3,6 Merc A,B,C Volvo XC60 VW Caddy, Shiran	Audi Q5, Q7, R8 BMW M4,5 Citroen Dispatch Honda Civic Type R Jaguar Type F Kia Sorento Range Rover Evoque Merc G,S,V Volvo XC90 VW Caravelle, Touareg

Table 6: *examples of vehicles and their expected bandings based on popular models*

3. The new tariffs will reduce the cost of living, working, and shopping in the borough for those with vehicles compliant with the Mayor of London's ULEZ standard.
4. Any small potential increase in parking activity will have a marginal effect on the local environment as these are expected to be in the ULEZ compliant vehicle bands.
5. The new emissions banding will incentivise residents to buy or lease electric, hybrid, and low emission vehicles.
6. The policy is urgently required as a significant component of the administration's programme to support residents through the cost-of-living crisis.

Equality Implications

7. There are no expected equalities impacts from the recommendations. It is expected to improve mobility and access for disabled and older residents.
8. Blue badge holders are not affected as they are exempt from parking charges whilst displaying their badge in parking places.

Risk Management Implications

9. The changes in price bandings linked to emissions adds complexity to the choices that need to be made by those parking within the borough. For the new scheme to be successful, it is recommended that the following is implemented:
 - I. The parking operating system can be amended to accommodate the proposed tariff changes.
 - II. Communication is clear and published on the Council's website and other channels.
 - III. All parking signage is clear and visible and in line with existing regulations.

Moira Mackie, Head of Internal Audit, 01/08/2022

Climate and Ecological Emergency Implications

10. There is potential for a small increase in the number of travel trips as a consequence of the cheaper rates. This has been mitigated by only offering the discounts to ULEZ compliant vehicles and raising the charge for the highest polluting vehicles while also retaining the diesel surcharge.

Hinesh Mehta, Head of Climate Change, 01/08/2022

Consultation

11. Changes to the parking charges are subject to statutory consultation.

List of Appendices

Appendix 1 - Charging history

Appendix 1

Charging history

Charges before we made the change to emission based:

Areas with low demand - **£2.50** per hour for all vehicles

Areas with high demand - **£3.20** per hour for all vehicles

Emission based charges we introduced

Under 75 g/km CO₂ - **£3.00** per hour for non-diesel and **£4.00** for diesel

Over 76 g/km CO₂ - **£5.00** per hour for non-diesel and **£6.00** for diesel

Charges we are now proposing

0-75 g/km CO₂ – **£2.50** per hour for non-diesel and **£3.50** for diesel

76-130 g/km CO₂ – **£3.50** per hour for non-diesel and **£4.50** for diesel

131-190 g/km CO₂ – **£4.25** per hour for non-diesel and **£5.50** for diesel

191+ g/km CO₂ – **£5.00** per hour for non-diesel and **£6.00** for diesel

Report to: Cabinet

Date: 09/01/2023

Subject: Membership of Pan London Vehicle (PLV) for commissioning children's social care placements

Report of: Cabinet Member for Children and Education – Councillor Alex Sanderson

Report author: Sarah Bright, Assistant Director for Children's Commissioning

Responsible Director: Jacqui McShannon, Strategic Director of Children's Services

SUMMARY

This report seeks approval to become a member of the Pan London Vehicle (PLV), a not-for-profit commissioning organisation for a five-year period from 1st April 2023 to 31st March 2028.

The company, owned by London local authorities, of which LBHF would be one, will be established to oversee the development and running of a secure children's home (SCH).

RECOMMENDATIONS

1. That LBHF becomes a member of a not-for-profit company, limited by guarantee, provisionally to be known as the Pan London Vehicle (PLV), to:
 - Develop and then oversee the running of London's secure children's home provision for a five-year period from 1st April 2023 to 31st March 2028 (with a break-point after three years), at a fixed annual cost of £20,000 payable only once the provision has launched (subject to inflation adjustment), unless an alternative model for funding is agreed by members during the development phase.
 - Collaborate with other PLV members on future joint commissioning programmes.
2. That LBHF commits in principle to joint oversight and risk/benefit sharing, through the PLV, of the secure children's home provision, for a five-year period to 31st March 2028, including the build, service development and service commissioning phases, subject to ratification after the revision of the SCH business case, and renewable on a ten yearly cycle thereafter (break-point after five years).
3. That Cabinet delegates authority to the Strategic Director of Children's Services, in consultation with the Director of Finance, Monitoring Officer, and Cabinet Member for Children and Education to:
 - finalise the legal documents required to set up, join and run the PLV, and

- make the final determination on the Council’s membership of the PLV, following completion of the revised SCH business case and, if appropriate, enter into all the legal agreements, contracts and other documents on behalf of the Council required to implement and run any aspect of the PLV arrangements, and
- exercise the break clause if it is not considered appropriate to proceed with membership of the PLV.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Creating a compassionate council	A regional approach to commissioning will support the development of an increased supply of local provision and reduce the number of young people placed at a distance from London, leading to better outcomes for children and their families.
Being ruthlessly financially efficient	The PLV will enable us to access specialist provision at a competitive rate. More local provision will reduce travel costs and ensure a more efficient use of social worker resource.
Taking pride in H&F	Investing in the development of specialist provision to ensure that our children with complex needs have suitable placements which enable them to maintain family and community networks, lead to better outcomes for young people.

Financial Impact

Membership of the Pan London Vehicle requires an annual commitment of £20,000 payable only once the Secure Children’s Home has opened (estimated to be between the end of 2025 and the start of 2026). As such, the total cost over the five-year initial membership period (from 1st April 2023 to 31st March 2028) will be a maximum of £60,000 (subject to inflation), depending on when the SCH opens. The annual fee is a contribution to the estimated running costs of the company. The process for dealing with annual inflation adjustments and any variances to budget between the PLV and partner authorities will be outlined in the legal documents (expected to be finalised in early 2023 and then approved by member LAs).

The annual estimated fee of £20,000 can be funded from existing underspends in the Children’s Services placement budget (forecast underspend of £300,000 on Looked After Children and Care Leavers placements as at period 6 in 2022/23). However, it should be noted that placement budgets are volatile and demand led, so are subject to unexpected change.

As part of the PLV, the Council will commit in principle to joint oversight and risk/benefit sharing. Risks include reduced value for money if there are placement voids in the children’s home (as certain costs, such as staffing, will be fixed). Joining the PLV and having access to local specialist provision at a competitive rate is likely to bring some savings, particularly in terms of reduced travel costs. There is a 3-year

break clause at which point value for money and likely benefits realisation should be assessed. Any savings should be considered and adjusted for in service budgets as part of the Council's annual Medium Term Financial Strategy process.

Any capital costs associated with the delivery of the London Secure Children's Home will be fully funded by the Department for Education (£3m has been allocated for development, with capital investment estimated to be in the region of £70-100m). Subject to a sufficiently large number of London local authorities opting in, the development of the London Secure Children's Home will proceed, with planned opening in 2025/26.

Financial Implications provided by: Suresh Perumal, Principal Accountant, 05/10/2022

Implications reviewed by: Tony Burton, Head of Finance Children's Services and Education, 06/10/2022

Verified by: Kellie Gooch, Interim Deputy s.151 Officer, 06/10/2022.

Legal Implications

The Council has a duty to provide accommodation for children who are in its care or who are being looked after by it under sections 22A and 22C of the Children Act 1989. Children may need to be accommodated in secure accommodation if the criteria under s25 of the 1989 Act are met. The provision of such accommodation is therefore a statutory obligation.

The report proposes that this should be met by way of participation in a non-profit making company which will be owned by the London Boroughs including LBHF. The Council has power to provide services in conjunction with other local authorities and to provide such services through a company.

The proposed vehicle is a company limited by guarantee which is the type of company normally used when there is no intention to make a profit and it is intended that each participating authority should have the same level of influence over the company. It is therefore appropriate to use this as a vehicle rather than a company limited by shares.

As guarantor, the liability of the Council will be limited to the amount which it guarantees. This is normally a nominal amount. The setting-up of a vehicle of this nature means that issues regarding the day to day management of the company including the appointment of directors, ownership of assets and what happens if the company is dissolved will need to be addressed. These will be covered in the company's constitution and agreement between the participating authorities.

The legal basis for setting up the company, the proposed membership and decision-making processes are set out in more detail in Appendix 1.

John Sharland, Senior solicitor (Contracts and procurement)

Dated 4 October 2022

DETAILED ANALYSIS

Proposals and Analysis of Options

Hammersmith and Fulham context

1. Our Placement Sufficiency Strategy sets out how we are meeting our statutory duties as a parent and is underpinned by Section 22 of the Children Act 1989 (as inserted by the Children and Young Persons Act 2008), which places a general duty on local authorities to secure sufficient accommodation to meet the needs of children looked after or leaving care.
2. One of the overarching priorities outlined in the strategy is to increase the supply of local provision. We are still heavily reliant on the wider market for placements, with our children and young people often placed outside of London, creating additional challenges including ability to maintain contact with family members and barriers accessing other services. This is acknowledged as a gap in our sufficiency.
3. There is a national shortage of secure placements, as highlighted by Ofsted, and London currently has no provision. Children with particularly complex needs, including those who are at significant risk of causing harm to themselves or others, including risk to life, can be placed in a secure children's home when no other type of placement would keep them safe. Children placed in SCHs are likely to have experienced a number of placements that have broken down, missed a lot of education, have unmet emotional and physical health needs and have suffered a great deal of trauma in their lives. SCHs provide a safe place where these very vulnerable children can receive the care, education and support that they need. A secure children's home is a locked environment, where their liberty is restricted and they are supported through trauma aware and psychologically informed integrated care, health and educational services.
4. Due to the national shortage of secure provision, places are often not available when referrals are made so children are then placed in less suitable but higher cost alternatives. Although we have extremely low numbers in LBHF (as outlined below), placements are difficult to obtain and often very far away. For example, one referral was sent to 9 different homes on 25 occasions before being accepted for a secure placement over 200 miles from home, at extremely high cost.

Year	Secure placements
2022/2023	0
2021/2022	1
2020/2021	2
2019/2020	1

5. Similarly, we also experience significant challenges in finding high-cost low incidence (HCLI) placements for some of our most complex young people, with an estimated shortfall in London of at least 225 places. As such, many of our children requiring this kind of HCLI provision are placed outside of London, in locations such as Derbyshire, Birmingham and Cumbria, and at an average distance of 139 miles from LBHF. This impacts detrimentally on this cohort of children with complex needs who are removed from their family and community networks, and presents challenges for the oversight of children's social care and therapeutic services.

6. Joining the PLV will ensure that LBHF is able to access specialist placements as and when we need them, at a competitive rate, and ensuring the best outcomes for our children.

Pan London approach

7. Both the Care Review and the recent Competition and Markets Authority report have highlighted the limited availability of suitable placements which meet the needs of children in care as a major concern and have recommended that local authorities take a regional approach to commissioning and developing new provision, to ensure there is sufficient local provision for looked after children.
8. The Association of London Directors of Children Services (ADCS) has established a priority to deliver more local placement provision for London children, better value for money and improved outcomes for children through pan-London collaboration. This long-term programme of work is part of the wider pan London placement sufficiency strategy and is delivered through the Pan-London Placements Commissioning Panel, with the support of the London Improvement & Innovation Alliance (LIIA), sub regional commissioning groups and representatives from Local Authorities. Officers from LBHF have participated in regular working groups that have led to the development of this approach in response to the national shortage of placements.
9. Building on these developments, and at the core of the programme, is a proposed pan-London Vehicle (PLV) for Commissioning. A new legal entity that will aim to bring the strategic weight of London's commissioning to influence the market to stimulate new provision and improve value for money. The PLV itself will be a company limited by guarantee and owned by its member Local Authorities. The PLV will be overseen by a joint committee consisting of LA directors and key stakeholders such as the NHS and MOPAC. Below this, there will be a Board of Directors and an Operational Team.
10. Once established the PLV will initially focus on developing secure welfare provision in London and will be a means to share the risks and benefits associated with developing and running the SCH. Whilst LBHF has low demand for this type of placement currently, having priority access to the SCH as a member of the PLV would ensure that if a young person were to present as needing this type of provision, we would be able to place them at pace, in an appropriate local setting which meets their needs, leading to better outcomes for this young person.
11. The secure welfare provision will be funded by the DfE, with over £3 million allocated in February 2022 for development, and capital investment estimated to be in the region of £70-100 million subject to completion of the development phase. The provision will comprise 24 beds alongside a secure community site with additional stepdown facility in London. Subject to a sufficiently large number of London local authorities opting in, then the development of the London Secure Children's Home will proceed, with planned opening in late 2025.
12. In the longer-term, the PLV intends to incorporate HCLI placements into its portfolio. It is thought that this category of placement provision will offer the most benefit to LBHF given we currently have a significant number of young people in HCLI placements at a great distance from London.

13. LBHF will continue to fully participate in the development of the PLV and the SCH. Officers will be involved in the finalising of the legal documents required to set up, join and run the PLV (expected early 2023), including details of how any inflation adjustments and variances to budget will be dealt with. In addition, Officers will be regularly updated on the development of the infrastructure of the PLV, including the service pricing structure, commissioning approach, operating and practice model, confirmation of the SCH's location and arrangements for ensuring equity of access across local authorities.
14. There will be a break-point after three years once the refreshed business case has been developed at which point LBHF can review its membership, prior to committing to paying the fixed annual cost.
15. Officers are therefore recommending that we join the PLV as this will ensure that LBHF is able to access specialist placements as and when we need them, at a competitive rate, and ensuring the best outcomes for our children.

Option 1 – do nothing (not recommended)

16. Maintaining the as is will result in continued, significant challenges in finding appropriate placements for some of our most vulnerable children. Provision will likely continue to be a significant distance from London which is often not only detrimental to children and their families' outcomes but requires additional social work resource, in terms of travel time and cost. Continued shortages of both secure and HCLI provision in London will result in LBHF incurring very significant costs when these placements are required.

Option 2 – developing our own specialist provision as a standalone authority (not recommended)

17. This option has been discussed by the Children's Leadership Team and given the low number, high cost, resource and risk involved in running such specialist units for young people with complex needs, it was agreed that LBHF is not in a position as a standalone authority to create such placements or units independently.

Option 3 – joining the Pan-London Vehicle (this is the recommended option)

18. A regional approach to commissioning would enable the benefits to be shared whilst also jointly managing the risks of developing such provision. This will ensure that LBHF is able to access these specialist placements as and when they are needed and at a competitive rate, ensuring better outcomes for our most vulnerable children.

Reasons for Decision

19. Joining the PLV and developing a regional approach to commissioning specialist provision will alleviate some of the challenges of sourcing secure and HCLI placements and reduce the likelihood of this cohort of young people being placed at a great distance from London, leading to better outcomes for our children and their families.

Equality Implications

20. There are no negative equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of proposals set out in the Recommendations. This initiative will benefit young people by bringing them closer to their local support networks.

Risk Management Implications

21. The proposal and narrative against LBHF values are well considered, given findings of the IICSA LBHF need to actively ensure safeguarding is central to management and reporting.

Ray Chitty, Head of Insurance Service, 7th November 2022

Climate and Ecological Emergency Implications

22. The climate and ecological impacts of the proposal to join the PLV are relatively low. The main impact will be the development of purpose-built accommodation and step-down provision in London for secure welfare placements. However, this impact will be offset somewhat by the reduced ecological impact of young people, their families and social workers travelling to placements located at a large distance from London (at an average distance of 192 miles away for secure provision).

Hinesh Mehta, Head of Climate Change, 6th October 2022

LIST OF APPENDICES

1. Appendix 1: PLV legal structure and membership
2. Appendix 2: Financial modelling of the SCH and PLV

Appendix 1

PLV legal structure and membership

1. Powers and Duties

There are a number of statutory provisions that local authorities can rely upon when setting up the PLV. The Council's main relevant functions in relation to the setup and operation of a company are:

- i) The General Power of Competence (GPOC) – section 1, Localism Act 2011 (“LA11”);
 - (1) Section 1 The GPOC authorises the Councils to do anything that an individual with full capacity may do. This can include setting up and participating (including borrowing/investment/provision of loans) in a company this would, prima facie, provide the powers for the Councils to do likewise.
 - (2) GPOC can be used even if there is another power that overlaps with it. However, GPOC is limited by any limitations on the powers of the Councils that existed prior to GPOC coming into force and by any new limitations that are stated to apply specifically to GPOC or to all Councils' powers (unless GPOC is specifically excluded).
 - (3) GPOC can be used for commercial purposes.
 - (4) See also the additional restrictions in the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009/2393 that apply by virtue of the overlap with Section 95, Local Government Act 2003.
 - (5) Section 5 - 7 The use of GPOC can be restricted by the Secretary of State but to date no restrictions relevant to the establishment and operation of the company have been put in place.
- ii) The Incidental Power – Section 111, Local Government Act 1972
 - (1) This authorises the local authorities to “to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions”. The Incidental Power combined with the Councils' functions under the Children Act 1989 potentially authorises the establishment of a joint company to facilitate the delivery of those functions. The Council's functions here would be those under Section 25 of the Children Act. Further, Part III of the Children Act 1989, Section 27, supports collaborative approaches between local authorities for the benefit of discharging their responsibilities for children
 - (2) The Councils' functions in relation to placing children in a secure Children's Home
- iii) Further, the use of a company to build, develop and operate the Secure Children's Homes does not amount to trading or acting for commercial purpose because any such company will be focused on providing services and goods to the vehicle's members, especially if a way can be

established for that company to operate principally for the London Boroughs to meet their statutory responsibilities.

2. Legal form of the PLV

2.1 The Pan-London Vehicle (“PLV”) will be a company limited by guarantee (“CLG”) and owned by the London local authorities. The PLV will not be focussed on profit generation and it is intended that any surplus generated by the PLV will be reinvested into its activities.

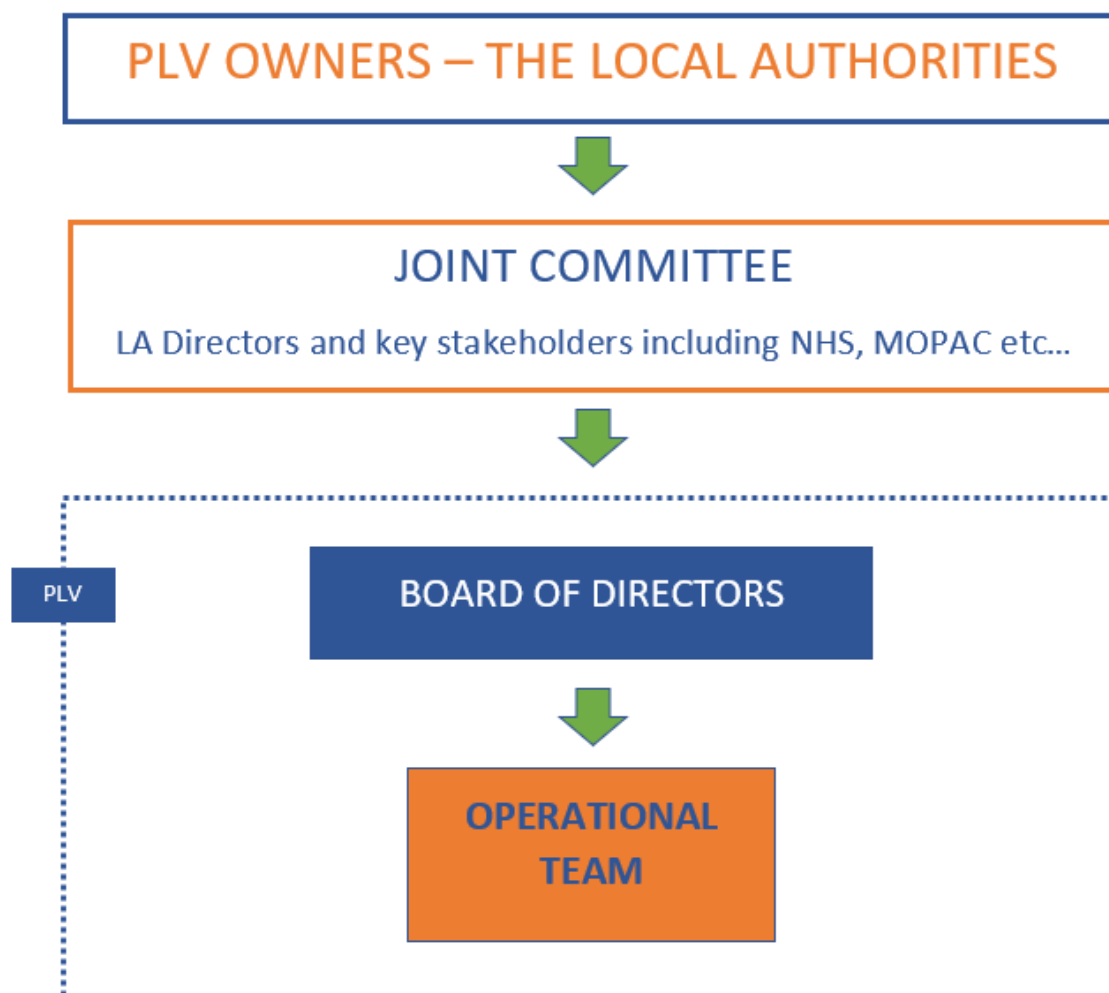
2.2 The CLG structure will –

- a. Enable Teckal compliance and as such will enable the PLV member LAs to contract freely with the PLV for its services without a competitive public procurement process being undertaken;
- b. Provide for London LAs to join and become members of the PLV, and
- c. subsequently leave if they desire. The process for joining and leaving the PLV will be set out in the company’s Articles of Association (“Articles”) and governance agreement to cover issues such as notice periods, the treatment of on-going costs and liabilities etc;
- d. For the first five years of the PLV’s existence, “lock in” the PLV member local authorities (including any local authority who joins the PLV during this period) for a term of five years with a break clause at three years and at the end of the term, and from year six onwards, “lock in” the PLV members (including any LA who joins the PLV during this period) for a term of ten years with a break clause at the end of the fifth year of the ten-year term (see ‘onboarding and exiting arrangements”);
- e. Provide sufficient flexibility for the PLV to extend to activities provided in other areas related to children and young people, subject to agreement of the local authorities.

2.3 As a CLG, the PLV will be registered at Companies House and will be subject to the Companies Act 2006. The PLV member LAs will be the equivalent of the shareholders of a company limited by shares and as such will in effect ‘own’ the PLV. In turn, the PLV will own its assets (i.e. the SCHs). The PLV member local authorities will only guarantee the PLV’s debts if it is wound up, up to a limit usually of £1 or a similarly nominal amount (this is separate from any specific guarantees on liabilities that may arise for specific arrangements). The PLV member local authorities will appoint the PLV’s directors who will then hold to account the officer team of the PLV, which will have delegated responsibility for the PLV’s day to day operations.

2.4 How the PLV will be governed

2.4.1 An organogram showing the proposed structure is set out below. The rest of this section explains the different components.



- 2.4.2 The PLV's governance arrangements will be set out in:
- 2.4.2.1 Bespoke Articles which will be filed at Companies House and as such will be publicly available;
 - 2.4.2.2 An additional, parallel PLV member local authority governance agreement setting out collaboration arrangements between local authorities; and
 - 2.4.2.3 Any other agreement which may be appropriate or necessary for the effective governance of the PLV (Such as a funding agreement, information sharing protocols etc).
- 2.4.3 The PLV members'/governance agreement and any additional agreements will remain confidential to the parties concerned but will be subject to the

Freedom of Information Act 2000 and the Environmental Information Reporting Regulations 2004 as any company wholly owned by a local authority is subject to the same regime as applies to the local authority which owns it.

- 2.4.4 The PLV will also be required to operate in accordance with its business plan and operational plan which will be reviewed in accordance with the PLV member LA/governance agreement.
- 2.4.5 The PLV's constitution will seek to ensure that its board directors are provided with sufficient freedom to achieve the PLV's objectives, while providing for the PLV member LAs to have sufficient control over, and involvement in, the PLV, its delivery of the SCHs and commissioning of services provided by a third-party operator.
- 2.4.6 Legal documents to establish the PLV (and not confined to its governance) will include, but are not limited to
- Memorandum of Association and Articles of Association;
 - Governance Agreement;
 - Member Committee and Stakeholders' Board Terms of Reference (see below for discussion);
 - Funding Agreement(s);
 - Support Services Agreement/Service Level Agreements;
 - Access to Information/Information Sharing Agreement (including as pertains to the Freedom of Information Act 2000 and Environmental Information Reporting Regulations 2004
 - Data Protection Act protocol
 - New member joining agreement

2.5 The Member Local Authorities and their roles

- 2.5.1 There will be a single class of membership for the PLV, rather than different classes split between initial local authority members and any others subsequently joining. Between them, the PLV member LAs will appoint six "representative" directors to the PLV board of directors (out of a total of eleven PLV directors – see The Board of Directors section below). All these directors will be non-executive directors. A lead officer on the PLV operational team (e.g. the "Senior Lead") will not be appointed as a PLV board director, but may be invited to join with observer status, in order to give the PLV board of directors the space to develop a strong forum for holding the operational team to account.
- 2.5.2 The constitution of the PLV will be drafted to provide for the rotation of the PLV directors. The directors will serve a term of five years. In relation to the six PLV member local authority representative directors, should a director leave their post at their employing LA during the five-year term of their PLV directorship, their incumbent will take on the role of PLV director for the remainder of the term. At the end of the first five-year term, two directors will stand down, with a further two directors standing down each year thereafter.

2.5.3 Financial contributions to the working capital of the PLV will be provided for in specific funding agreements. Following the initial 5 year year period, the financial contribution required of the PLV member local authorities to the working capital (to ensure cash flow) will be dependent upon the number of member local authorities at any time.

2.6 On-boarding and exiting arrangements

2.6.1 The initial PLV member local authorities will have to obtain the requisite internal authority to establish the PLV and contribute financially to its working capital. Those London local authorities which join the PLV subsequently will need to obtain the requisite internal authority to do so and also to incur the ensuing costs of membership (a financial contribution to the working capital).

2.6.2 The PLV Articles and members'/governance agreement will be drafted to provide for non-member London local authorities to subsequently join the PLV by way of written application to the board of directors of the existing members, with no such application being unreasonably refused. Membership will be contingent upon an agreed financial contribution to the working capital, which will recognise previous contributions made by existing member local authorities.

2.6.3 To ensure operational and financial stability for the PLV, during the first five years of the PLV's existence, PLV member local authorities (including any local authority who joins the PLV during this period) will be 'locked in' as financially contributing PLV member local authorities for a term of five years with a break clause at three years and at the end of this term. From year six onwards, the PLV member local authorities (including any local authority who joins the PLV during this period) will be 'locked in' for a term of 10 years, with a break clause at the end of the fifth year of the 10-year term.

2.6.4 The Articles and governance agreement will be drafted to provide for a membership 'application window' whereby those non-PLV member LAs wishing to join the PLV are able to apply to do so in the September of each year, with their membership commencing on the 1st April of the following year (if the application is approved) to coincide with the commencement of the local authority financial year. This is assuming the applying LA will have completed its internal decision-making and governance processes prior to applying to join the PLV.

2.6.5 The Articles and governance agreement will also provide for PLV member LAs wishing to terminate their membership of the PLV 'to serve 18 months' notice, with their membership terminating on the 31st March in a year to coincide with the end of the local authority financial year (subject to the fixed minimum membership period). This gives the PLV the opportunity to agree a transition plan and adjust its budgets with adequate notice.

2.6.6 The Articles, governance and finance agreement(s) will provide for the PLV member LAs to provide a contribution to the working capital of the PLV to coincide with the local authority financial year.

2.6.7 Exit arrangements will need to provide for settlement of outstanding and/or any on-going financial contributions and liabilities of PLV member LAs which have terminated their membership of the PLV.

2.7 Decision-making

2.7.1 The Articles and the governance agreement will be drafted to reserve certain activities and key decisions to the PLV member LAs. Such an arrangement would ensure the PLV member LAs retain control and influence over the PLV. The 'reserved matters' will be limited to:

- Adopting the initial and subsequent business plans and approving any material changes to them, including which decisions are to be reserved decisions
- Appointing and removing directors;
- Borrowing capital outside of the business plan; and
- Approving material changes to the nature of the PLV's business.
- The reserved matters will be subject to a simple majority of all those members who vote (to enable decision-making on an effective basis). The responsibility to vote within the relevant time period for each decision will be with the voting LA. The PLV member LAs, by 75% majority of those that vote, can also direct the board to take, or refrain from taking, a specified action (this is common with a company that is structured to enable "Teckal" treatment). All other non-operational decisions in relation to the PLV will be made by the PLV directors, or if appropriate for certain decisions, the PLV operational team.

2.7.2 The reserved matters will not include decisions which are otherwise covered by company law e.g. amendment of the Articles by special resolution (75% of those voting at a general meeting or entitled to vote if by written resolution).

2.8 PLV Joint Committee

2.8.1 The governance arrangements will provide for a joint committee of the PLV member LAs to comprise the Directors of Children's Services or similarly senior and appropriately skilled officers of the members' local authorities. The members of the joint committee will each act as a representative of their respective local authority at "shareholder/owner" level. The joint committee will be involved in approving the PLV's business plan, budget and the other reserved matters to be decided on behalf of the PLV member local authorities as listed in paragraph 2.7.1 (not including matters covered by company law e.g. amendment of the Articles which requires a special resolution), without the conflicts of interest that board directors can face.

2.8.2 The joint committee will operate under agreed terms of reference. The PLV board's regular reporting to the joint committee will be provided for in the governance agreement, which will also provide for directors or officers of the PLV (e.g. the operational team), in exceptional circumstances, to attend and answer questions at appropriate meetings of the PLV member local authorities, their executive and committees.

2.9 Additional public bodies involved in the project, such as NHS bodies and the Mayor's Office for Policing And Crime, will be able to sit on the joint committee as observers. The observers' role will be subject to the Terms of Reference and governance agreement and the observers will be able to attend and participate in meetings of the joint committee but will not be able to vote. It is intended that the facilitation of the observers in this way will provide for the engagement and involvement in the project of relevant public bodies, while ensuring the PLV has the freedom it needs to achieve its objectives and marking a distinction between the LAs, as owners of the PLV and the legitimate interests of the other stakeholders.

2.10 The Board of Directors

2.10.1 The board will be comprised of 11 directors:

2.10.1.1 A chairperson - to provide for political ownership, the board's chairperson will be the London Councils' Lead Executive Member for Schools and Children's Services at any given time. The chairperson will have a casting vote to guard against deadlock in board decisions.

2.10.1.2 Six representative directors, these will comprise senior officers of the PLV member local authorities appointed to bring oversight, experience and particular skills which would be advantageous to the PLV. They would not be full time, not remunerated or employed by the PLV and, as detailed above, will serve a fixed term of up to five years. The directorship shall be automatically terminated upon the cessation of their employment with the PLV member local authority and their incumbent will take on the role of PLV director for the remainder of the five-year term. An officer placed on the board can be provided with an indemnity pursuant to the Local Authorities (Indemnities for Members and Officers) Order 2004 for their actions in the role as long as their actions are taken legally, honestly and in good faith.

2.10.1.3 Three independent directors shall be appointed following a recruitment process. They will not be full-time, not remunerated (beyond reasonable expenses) or employed by the PLV and they will serve for a fixed term for up to five years. The PLV will have to take out indemnity insurance for them; and

2.10.1.4 A director appointed from the members of the London Society of Treasurers. This is to provide for the financial oversight of the board.

2.11 Public Procurement

- 2.11.1 Ordinarily the services that are commissioned in relation to a child might be reasonably categorised as “Social work services with accommodation” (CPV Code 85311000-2) – these are subject to what is known as “the light touch regime” (“LTR”). LTR services benefit from a significantly higher competitive tendering threshold (£663,540) than for other services and greater flexibility in the design and operation of public procurement processes.
- 2.11.2 However, it is worth exploring the establishment of a joint vehicle that will not be subject to the competitive tendering requirements that councils would otherwise be subject to.
- 2.11.3 There are two exceptions in PCR 2015 to the requirement for competitive tendering that enable the commissioning of services directly from either one or more lead authority or a jointly owned vehicle. These are set out in Regulation 12 PCR 2015
- public services co-operation arrangement;
 - a “Teckal” vehicle
- 2.12 It is perfectly possible for the participating councils to establish an administrative arrangement under which one of the authorities undertakes the lead role in delivering the Secure Children’s Homes, using mechanisms under the Local Government Act 1972, section 101 in particular. These would be outside the EU procurement rules as these arrangements are not public contracts that are subject to their competitive tendering requirements.
- 2.13 One arrangement that does allow for councils and other contracting authorities to have delivered to each other services that are subject to the tendering requirements of the EU procurement regime is the public service co-operation arrangement (in large measure now defined in regulation 12(7) PCR 2015). The key test (of the 3) for our purposes is that the contract creates a co-operation between them with the aim of ensuring that the public services they have to perform are provided with a view to achieving objectives that they have in common. In order for such an arrangement to be effective there has to be genuine reciprocity between participating public bodies – however, with 32 London Boroughs potentially participating, a public service co-operation arrangement between them is likely to be unwieldy, with risk and management falling predominantly on the London Borough(s) hosting the new Secure Children’s Home provision, resulting in unnecessarily complex arrangements.
- 2.14 This leaves us with the other option for delivering and sharing services between the Councils without triggering competitive tendering requirements of the EU procurement rules – the “Teckal” vehicle now governed by Regulation 12 PCR 2015 (except Regulation 12(7)). It would accommodate direct placements by all its member councils but will need to leave open potential adjustment to its structure if the Centralised Commissioning Framework is established and a single national commissioner is in place.

2.15 Participating councils and other public bodies should be able to establish a single vehicle that meets the relevant tests i.e. in particular it is established so that:

- they jointly exercise a decisive influence over the strategic objectives and significant decisions of the vehicle;
- the board of directors comprises representatives of the entity's member authorities; and
- the vehicle does not pursue any interest's contrary to those of the Member authorities.

Appendix 2

Financial Modelling for the Secure Children’s Home Project and PLV

There is a clear need to create more Secure Children’s Home provision for London. Detailed analysis supports the creation of 24 secure welfare beds.

These beds will allow London children to be placed within London.

The funding commitment from the Department for Education of £50+ million offers London an opportunity to invest significantly in improving outcomes for our most vulnerable children and young people.

Even with this additional funding, the financial, operational, and reputational risk required to take on this project is more than any single LA could manage. The case for creating this provision relies on collaboration between London LAs, and to this end, the establishment of the PLV will allow London LAs to share both the risks and benefits of the project. The PLV is the required infrastructure for the project to succeed.

This financial modelling outlines some predicted costs and estimated benefits for London local authorities. To compile these figures, we have used data submitted by London LAs on their use of secure placements and alternatives to secure, as well as detailed modelling from 2019-20. The figures from 2019-20 have been inflated to 2022 prices using the Consumer Price Index (CPI). *Please note, these figures are used to illustrate different scenarios - they do not represent the final placement prices or actual operating costs for the new provision.*

1. Annual Running Costs for the Secure Children’s Home and Pan-London Vehicle

The costings in the tables below are taken from the NEL business case. These final totals are then updated to 2022 prices using the CPI.

1.1: Secure Children’s Home

The current plan is for the proposed Secure Children’s Home provision to contain 24 beds, in one site. The below table from the business case shows the estimated annual running costs of various sizes of SCH in 2019/20 prices.

Table 1 Accommodation Size	Indicative annual running costs 2019
1 x 12 bed	£3.63m
1 x 18 bed	£5.11m
2 x 12 bed	£7.26m
2 x 18 bed	£10.22m

Shows indicative annual running costs for various sizes of SCHs.

Taking the proposal for 2 x 12 bed homes (24 beds), and updating this figure to 2022 prices, the current annual running cost for the Secure Children’s Home proposed is **£8.06m.**

1.2: Pan-London Vehicle

PLV operational costs	Year 1 – start-up costs	Ongoing costs	
Staff costs	£286,000	£286,000	The assumption is that hosting costs and start-up costs are likely to be lower if a London LA hosts the PLV
Hosting costs	£133,000	£133,000	
Start-up costs	£79,000	-	
Total	£498,000	£419,000	

Shows estimated costs of running the PLV annually and in the first year in 2019/20

Note: figures are rounded to the nearest £1k

PLV operational costs in 2022	Year 1	Ongoing
Total	£553,000	£465,000

1.3: Transport Costs

Current transport costs (with no London SCH) in 2019/20 were estimated in the NEL business case to be £126,000. Updated to 2022 prices, this is £140,000.

The NEL business case suggested that LAs could expect the current transport costs to be halved by the creation of a London SCH. On this basis, transport costs in 2022, with the creation of a Secure Children's Home in London, would be: **£70,000**.

1.4: Total Indicative Cost to London

	Estimated costs for 2022
Running cost for 24 beds <i>including provider profit margin</i>	8060000
PLV Annual Cost	465000
Secure Transport Cost	70000
Total	£8,595,000

2. Costs and Benefits to Participating Local Authorities

The next section of the report compares a variety of scenarios to suggest estimated surplus or loss for different weekly costs of placement. Three sample costs of placements are used: £8.25k as mid-point of current secure children's home provision; £10k; and £12k, the latter recognising the often very high cost of alternative provision when Secure Children's Home places are not available. The outcomes of each scenario are compared at varying levels of occupancy and the effect of different numbers of local authorities signing up. The scenarios consider

occupancy at: 100%; 90%; 85%; and a final scenario (A4, B4, and C4) with occupancy of 50% in year 1 followed by 85% in each of years 2 and 3.

2.1: Scenario A

In these scenarios, the weekly placement cost which the SCH charges the LAs is £8250 across all years (no inflation factored in). *Please note, placements that could be made by other LAs, charged at a higher cost, have not been factored in.*

Scenario A	A1	A2	A3	A4			
				Year 1	Year 2	Year3	Over 3 years
Occupancy Rate	100%	90%	85%	50%	85%	85%	Surplus / Loss
Annual Revenue Raised	£10,296,000	£9266400	£8751600	£5,148,000	£8,751,600	£8,751,600	N/A
Running Cost	£8,595,000	£8,595,000	£8,595,000	£8,683,000	£8,595,000	£8,595,000	N/A
Surplus/Loss	£1,701,000	£671,400	£156,600	£-3,535,000	£156,600	£156,600	£-1,073,930
Surplus/Loss per LA with 33 members	£51,550	£20350	£4,750	£-107,120	£4,750	£4,750	£-32,540
Surplus/Loss per LA with 25 members	£68,040	£26856	£6,264	£-141,400	£6,264	£6,264	£-42,960
Surplus/Loss per LA with 16 members	£106,310	£41960	£9,790	£-220,940	£9,790	£9,790	£-67,120
Surplus/Loss per LA with 8 members	£212,625	£83925	£19,575	£-441,875	£19,575	£19,575	£-134,240

2.2: Scenario B

In this scenario, the weekly placement cost is £10,000 across all years (no inflation factored in). *Please note, placements that could be made by other LAs, charged at a higher cost, have not been factored in.*

Scenario B	B1	B2	B3	B4			
				Year 1	Year 2	Year3	Over 3 years
Occupancy Rate	100%	90%	85%	5%	85%	85%	Surplus / Loss
Annual Revenue Raised	£12,480,000	£11,232,000	£10,608,000	£6,240,000	£10,608,000	£10,608,000	N/A
Running cost	£8,595,000	£8,595,000	£8,595,000	£8,683,000	£8,595,000	£8,595,000	N/A
Surplus/Loss	£3,885,000	£2,637,000	£2,013,000	£-2,443,000	£2,013,000	£2,013,000	£527,670
Surplus/Loss per LA with 33 members	£117,730	£79,910	£61,000	£-74,030	£61,000	£61,000	£15,990
Surplus/Loss per LA with 25 members	£155,400	£105,480	£80,520	£-97720	£80,520	£80,520	£21,110
Surplus/Loss per LA with 16 members	£242,810	£164,810	£125,810	£-152,690	£125,810	£125,810	£32,980
Surplus/Loss per LA with 8 members	£485,625	£329,625	£251,625	£-305,375	£251,625	£251,625	£65,960

2.3: Scenario C

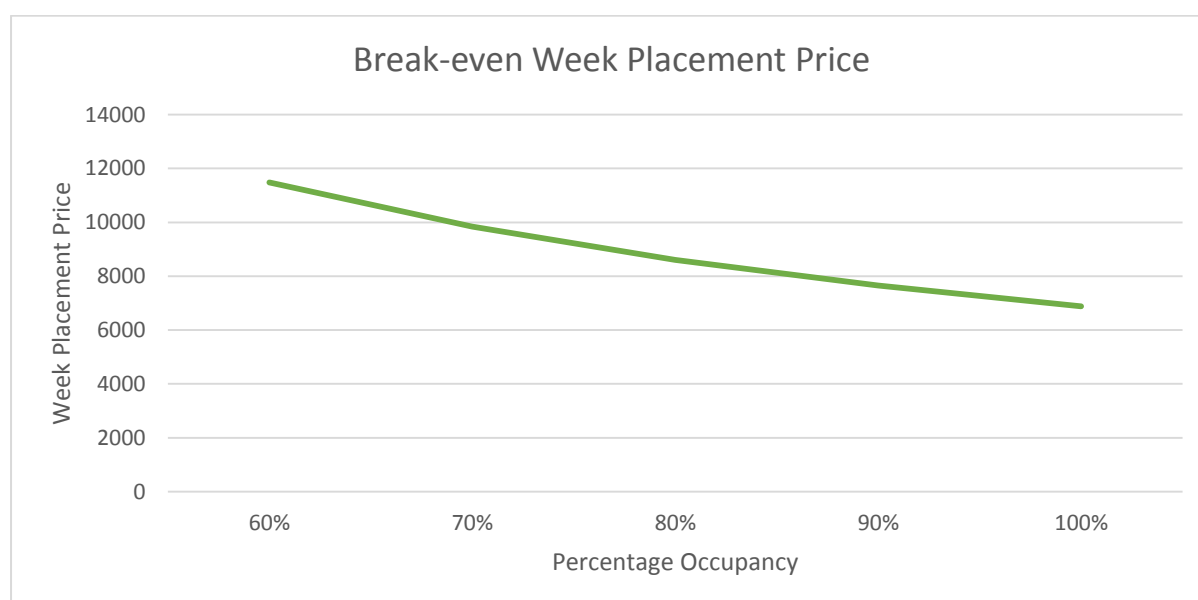
In this scenario, the weekly placement cost is £12,000 across all years (no inflation factored in). *Please note, placements that could be made by other LAs, charged at a higher cost, have not been factored in.*

Scenario C	C1	C2	C3	C4			
				Year 1	Year 2	Year 3	Over 3 years
Occupancy Rate	100%	90%	85%	50%	85%	85%	Surplus / Loss
Annual Revenue Raised	£14,976,000	£13,478,400	£12,729,600	£7,488,000	£12,729,600	£12,729,600	N/A
Running Cost	£8,595,000	£8,595,000	£8,595,000	£8,683,000	£8,595,000	£8,595,000	N/A
Surplus/Loss	£6,381,000	£4,883,400	£4,134,600	£-1,195,000	£4,134,600	£4,134,600	£2,358,070

Surplus/Loss per LA with 33 members	£193,360	£147,980	£125,290	-£36,210	£125,290	£125,290	£71,460
Surplus/Loss per LA with 25 members	£255,240	£195,336	£165,384	-£47,800	£165,384	£165,384	£94,320
Surplus/Loss per LA with 16 members	£398,810	£305,210	£258,410	-£74,690	£258,410	£258,410	£147,380
Surplus/Loss per LA with 8 members	£797,625	£610,425	£516,825	-£149,375	£516,825	£516,825	£294,760

3. Break Even Costs

The below graph demonstrates the weekly placement price the SCH would have to charge to break even at different levels of occupancy. This includes covering the costs of the PLV and secure transport. We can see that at below roughly 70% occupancy, the cost of a week placement in the secure children's home needed for the home to break even rises above £1000. Of course, the running costs of the SCH will change with the number of children who are housed there, as staffing and food costs will vary. Therefore, we can expect that this model significantly overestimates the week-placement costs needed to break even at lower rates of occupancy.



The exact break-even weekly placement prices are shown in the table below, rounded to the nearest £10.

Occupancy	Break Even Placement Price
10%	£68,870

20%	£34,440
30%	£22,960
40%	£17,220
50%	£13,770
60%	£11,480
70%	£9,840
80%	£8,610
90%	£7,650
100%	£6,890

Cost of PLV

These estimates are taken from the NEL business case. We have included an updated cost for 2022.

Estimated Year 1 PLV Costs

The following Table shows the estimated costs of the PLV in Year 1 of operation based upon the assumption the PLV would be a standalone organisation. These costs have been separated out into set-up (A) and on-going (B) costs.

Expenditure	A: Year 1 set-up	B: Year 1 on-going	C=A+B: Total Year 1 costs
Staff Costs: Management	£0	£285,795	£285,795
Professional Fees	£9,203	£24,961	£34,164
Office rent, rates and service charges	£0	£58,286	£58,286
Contracts	£0	£18,108	£18,108
Fit-out and Furniture	£51,240	£0	£51,240
IT and Hardware	£18,995	£9,030	£28,025
Sundries and Supplies	£0	£3,422	£3,422
Training	£0	£10,500	£10,500
Other	£0	£8,418	£8,418
Total	£79,438	£418,520	£497,958

Totals in 2022 (CPI)	£81,187	£433,00	£514,819
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LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: West London Alliance Fibre Fund Allocation to Hammersmith & Fulham - increasing the high-speed communication links for H&F's residents

Report of: Cabinet Member for the Economy, Councillor Andrew Jones;
Cabinet Member for Finance and Reform, Councillor Rowan Ree

Report author: Joanne Woodward, Chief Planning Officer

Responsible Director: Jonathan Pickstone, Strategic Director for the Economy

Summary

This report seeks approval for the Council to receive £1.13m of funding from the West London Alliance (WLA) Digital Fibre Programme to improve digital connectivity for residents and businesses in the borough. The funds are comprised of contributions from the London Strategic Investment Pot of pooled business rates along with contributions from the government's Getting Britain Building Fund.

The programme will extend the existing ducting and fibre optic cable network across the borough to enable faster and more reliable broadband, focusing on areas which currently have poorer connectivity to the internet. Upgrading and connecting fibre into key public buildings and businesses in these 'not spots' will enable greater services for residents such as new digital hubs and will support existing and new enterprises.

Whilst the WLA administers the programme on behalf of the 7 west London boroughs, officers have successfully argued that H&F's share of these funds be transferred directly to the council instead. This will enable the funds to be closely integrated with the council's CCTV investment programme, renewing and extending the council ducting network to meet the dual priority of renewing the CCTV network whilst at the same time also utilising ducting to install more fibre to buildings to speed up digital connections.

This report:

- summarises the community, economic, social and telecoms benefits which could be realised through the use of WLA Fibre Fund in H&F.
 - sets out the Council's proposed approach to realising the opportunities and benefits of the WLA Fibre Fund in the borough.
-

Recommendations

That Cabinet:

1. Approves the transfer of £1.13m from the WLA Fibre West Digital Programme to H&F in compliance with the terms of the Grant Funding Agreement between LB Ealing as the Accountable Body for SIP 1 Funding and H&F dated 4 March 2019.
2. Delegates authority to the Strategic Director for the Economy to negotiate and enter into such agreements as required between WLA and H&F following consultation with Assistant Director of Legal Services and Director of Finance.

Wards Affected: All

H&F Values

This table sets out the Council's values and how the WLA Fibre Fund contribution aligns with those values.

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	By investing in digital connectivity, businesses are able to digitise their operations, supporting them to grow more quickly and create new jobs.
Creating a compassionate council	Improving digital connectivity for residents, and making streets safer for families and young people.
Being ruthlessly financially efficient	Investing in digital connectivity can address 'not spots' and areas of poor connectivity within the Borough which negatively impact residents in affected areas and wards.
Taking pride in H&F	Providing an upgraded and fully maintained CCTV service covering town centres and neighbourhoods provides confidence and security benefits for residents and businesses in the borough.
Rising to the challenge of the climate and ecological emergency	Fibre connectivity supports working & studying from home which reduces trip generation.

Financial Implications

In October 2020, MHCLG (now DLUHC) awarded £22.1m to London through the Getting Britain Building Fund (GBBF). In this package of funding, £2m (£1.85m net) has been allocated to West London Alliance (WLA) by the GLA to fund new fibre connections in the 7 West London boroughs. This £1.85m of GBBF funding will be combined with the remaining £6.1m of the Strategic Investment Pot 1 (SIP 1) fibre funding to create a budget of £7.95m for new connections to public buildings, amounting to £1.13m per borough within the WLA.

Officers have secured grant funding of £1.13m from the West London Alliance that can be used to part fund the CCTV capital investment programme approved by Cabinet in March 2022. The secured grant represents 21% of the total estimated project cost. By accepting the grant, the Council agreed to fund and complete a detailed condition survey of the H&F CCTV network. This survey has been completed at a total cost of £0.1m (funded from the corporate contingency budget as agreed by Cabinet).

There are no other match funding requirements or new financial burdens associated with the WLA SIP 1 funding. Officers need to ensure that any other conditions of the grant are met in full. Once authorised, the WLA will draw down the funding from the Corporation of London and transfer the funds to H&F.

Finance implications completed by Kellie Gooch, Head of Finance (Environment), Tel: 07917 813604 Kellie.Gooch@lbhf.gov.uk 10 November 2022.

Verified by Sukvinder Kalsi, Director of Finance 24 November 2022.

Legal Implications

This report seeks approval for the Council to receive £1.13m of the remaining SIP 1 budget from the WLA Fibre West Digital Programme. Hammersmith will use the £1.13m to upgrade the CCTV network and infrastructure in the borough. The Director of Finance has confirmed that the Council can receive this grant.

The conditions under which the grant is to be paid to the Council are to be set out in a Grant Funding Agreement between LB Ealing as the Accountable Body for SIP 1 Funding and H&F.

Any new contracts, if required, to implement the CCTV network upgrade must be procured in accordance with the Council's Standing Orders and the Public Contracts Regulations 2015.

Legal implications completed by Angela Hogan, Chief Solicitor (Contracts & Procurement) Angela.Hogan@lbhf.gov.uk 11 November 2022

Contact Officer(s):

Name: Matt Hooper

Position: Chief Officer, Safer Neighbourhood & Regulatory Service

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Email: Matthew.Hooper@lbhf.gov.uk

Name: Rebecca Yee

Position: Team Leader, Infrastructure Delivery Planning

Telephone: 07786 290034

Email: Rebecca.Yee@lbhf.gov.uk

Background**WLA Fibre Programme – priority sites in H&F**

1. The Council has undertaken detailed analysis to inform the priority areas and sites for investment through the WLA fibre programme. Over 50 sites have already been submitted to the WLA which will bring the greatest benefits in terms of connections and enabling infrastructure in the borough. As part of this due diligence, a mapping exercise was undertaken to determine the extent to which the Council owned ducting and fibre network aligns with these priority sites identified for the fibre investment. See Appendix 1 for LBHF SIP Sites and Areas of Economic & Social Deprivation Maps.
2. This exercise has highlighted that there exists a close correlation between the sites identified for fibre investment and the existing fibre network owned by the Council.
3. On this basis and in the knowledge that funding is required to upgrade the Council's fibre network, H&F believe that a different approach is needed in order to deliver best value from this public funding. Rather than invest in a new private sector owned fibre network, greater and more significant value could be derived from the investment being directed towards upgrading and replacing the existing CCTV fibre network. This would enable the extension of the ducting and fibre network into identified public sector sites adjacent to the existing network infrastructure and the use of the spare fibre pairs on an open access basis to enable improvement in connectivity to the sites identified. This would also be a catalyst for accelerating and empowering further private sector investment into areas currently poorly served by fibre connectivity.
4. The West London Alliance is a public sector partnership between seven West London local authorities, including H&F.
5. Funding to support the upgrading of the CCTV ducting network has been secured by H&F officers through the West London Alliance "Fibre West" digital programme.

6. The Fibre West programme will see the deployment of £7.9m of grant funding across seven west London boroughs to install new gigabit fibre and ducting connections to public buildings in areas with poor connectivity. The new fibre connections will have a transformative effect for digital inclusion, addressing 'not spots' (where fibre connections are slow) across growth and regeneration areas and providing businesses, public buildings and residents with cutting edge fibre connectivity to their premises.
7. This will require the installation of ducting and fibre to priority sites and areas across west London. Over 50 potential sites which could bring the greatest benefits in terms of connections and enabling infrastructure in the borough have already been identified for further analysis. In terms of delivery, H&F is in a unique position compared to other boroughs. This is because the existing CCTV ducting network across the borough already provides much of the infrastructure needed to support the extension of the fibre network, albeit the condition of the ducting needs improvement or renewal. Many of the potential 'Fibre West' H&F sites identified sit close to the existing ducting network.
8. It has therefore been proposed to the WLA that rather than invest in a new separate private sector owned fibre network to connect new sites, more significant value could be derived from the investment being directed towards upgrading and replacing the existing council owned CCTV fibre network. Using the existing network has the potential to deliver the digital inclusion objectives whilst also part funding the ducting upgrade. Upgrading the existing network rather than create a separate one would also accelerate the delivery of the programme to enable the extension of the ducting and fibre network into identified public sector sites adjacent to the existing network infrastructure.
9. H&F was in contract for the management of the borough's CCTV ducting network. This contract was due to expire and neither Ealing Council nor the WLA could find the supplier H&F needed to upgrade the ducting network.
10. The WLA's commercial advisor, 4C Strategies, therefore suggested that funding should be transferred to H&F so that the Council can run its own procurement process. This would allow the borough to secure the appropriate supplier and deliver the project and its outcomes.
11. A report detailing the CCTV Capital Investment Strategy was presented at H&F Cabinet on 7 March 2022; the approved recommendations were that Cabinet:
 - a. *Approves £5.365m of one-off capital funding (across five years) for investment in the Council's CCTV infrastructure, to be funded*

from an expected West London Alliance (WLA) grant (£0.9m), and general fund borrowing (£4.465m).

- b. Approves one-off revenue funding of up to £0.1m to fund a detailed condition survey of the Council's CCTV network, required to secure an estimated inward investment of £0.9m from the West London Alliance, to be funded from the annual corporate contingency budget for 2021/22*

12. This detailed condition survey has been undertaken and completed, so the inward investment from the WLA (now agreed to be £1.13m) can now be transferred subject to Cabinet approval.

West London Alliance Cabinet Resolution

13. WLA Cabinet agreed to the proposed approach on 14 September 2022 when it :

- (i) *authorised the transfer of £1.13m of the remaining SIP 1 budget from the WLA Fibre West Digital Programme to LB Hammersmith and Fulham in compliance with the terms of grant funding agreement dated 4 March 2019 made between the Council and City of London Corporation from the Strategic Investment Pot Round 1 (SIP-1) (the CLC Agreement);*
- (ii) *delegated authority to the Director of WLA to negotiate and enter into such agreements as required between WLA/LB Ealing and LB Hammersmith and Fulham following consultation with the Chief Solicitor, Legal & Democratic Services and the Chief Finance Officer.*

Optimisation of use of WLA Fibre Fund

14. Benefit realisation of investment in the existing network:

(a) Community benefits:

The existing fibre and ducting network extends into those parts of the borough identified as areas of economic and social deprivation, including some of the the council's housing estates. Through upgrading and extending the fibre ducting where appropriate, the enhancement of this existing infrastructure will:

- attract and accelerate investment from the private sector to deliver fibre connectivity to residents who are currently poorly served with connectivity. Whilst it is anticipated that these areas will benefit from investment in the longer term (2-3 years), this funded initiative will mean residents will benefit from improvements in connectivity much quicker.

- provide the opportunity for H&F to work with private sector partners to develop and deliver a service model which addresses the challenge of community affordability. This will significantly contribute to and enable a Council-wide strategic approach to address digital inclusion and digital skills.
- enable community facilities with fibre connectivity providing a community digital hub facility to support local business start-ups, digital skill training, local digital workshops and in addition support the delivery of public services within the community housing/financial/benefit advice, special educational needs, digital workshops (IT support, training/CV writing) and English language support.

(b) Economic benefits:

The existing fibre and ducting network impacts and extends into a number of key economic/business orientated areas of the borough. Through upgrading and extending the fibre and ducting where appropriate, the presence of this existing infrastructure will:

- Stimulate further investment from the private sector to provide access to a fibre to the business premise solution, with a consequent tangible impact in lifting local GVA (Gross Value Added)
- Enable public buildings to make business hubs to support local SME's and micro businesses (Community Centres)
- Support the growth of SME's and start-ups which currently struggle with access to affordable workspace by enabling business focused service providers to deliver connectivity to such premises in a more affordable and accelerated fashion
- Help retain existing businesses and attract new business sectors to the borough which will result in an increase in Business Rates and a return on Business Rate retention
- Attract to the borough new growth sectors to generate higher skilled job opportunities for local residents and consequently higher wages
- Enable and promote major regeneration projects already planned for the borough, e.g., upgrading the existing ducting will support access to planned affordable workspace at an accelerated pace.

(c) Social benefits

investing in the fibre network will bring the following social benefits:

- Improved access to connectivity and, through greater competition deliver more innovative approaches to ensuring services are affordable
- The creation of digital hubs within communities which will realise a wider outcome of supporting digital inclusion initiatives and establish each individual centre as a focus for digital training

- Enabling and supporting independent living. This funding will help H&F to contribute to our aim of providing access to digital connectivity across the borough and in doing so deliver a platform which can positively contribute to addressing independent living and isolation

(d) Future Telecom benefits

- Through the fibre network and associated ducting which is linked to over 300 Public Space CCTV Columns across the borough, there is an opportunity to accelerate the 4G and future 5G network by providing a ready-made solution for a borough-wide Small Cell Network and in so doing attract investment and reduce the cost of deployment for mobile operators
- Improvements in mobile coverage and capacity will have a direct benefit on both residents and businesses
- Provide the opportunity for H&F to play an innovative and influential role in developing a 5G Strategy for the WLA.

Governance

15. Funding from the SIP 1 Programme for the Fibre West Fund project is governed by a Grant Funding Agreement signed between LB Ealing and the City of London Corporation in 2019.
16. An updated draft Grant Funding Agreement has been prepared by the WLA to be used between H&F and the WLA/Ealing (see Appendix 2 for the draft which is derived from the 2019 agreement) and sets out the conditions under which the grant is to be paid to H&F.

Next Steps and Key Implications

17. The LB of Ealing is the Accountable Body for the SIP1 funding, acting on behalf of the West London Alliance boroughs. In order for the funding to be transferred, H&F and LB of Ealing are to enter into a Grant Funding Agreement to facilitate the transfer of funds of £1.13m (See Appendix 2). It is recommended that the Strategic Director of Economy is delegated authority to negotiate and enter into such agreements as are required between H&F and WLA following consultation with Assistant Director of Legal Services and Director of Finance.

Reasons for Decision

18. The WLA Fibre Fund provides an opportunity to realise long term social and economic benefits for H&F. Funding the upgrade of the existing fibre network would ensure that the wider digital, social and economic aspirations of both the Council and the WLA can be optimised and realised.

19. H&F are planning a borough-wide project to spend the £1.13m to improve and upgrade ducting and fibre connectivity across a number of sites using H&F contractors. H&F have committed to deliver the same outcomes as the other authorities within the WLA in terms of new and upgraded connections to public buildings and into the areas of the borough with poor connectivity to realise the social and economic benefits.

Equality Implications

20. It is anticipated that there will be direct positive equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the recommendations.

Risk Management Implications

21. It is not anticipated that there will be any risk management implications by the approval of the recommendations.

Implications completed by Ray Chitty, Head of Insurance Service, Tel: 07739315565, Ray.Chitty@rbkc.gov.uk 14 November 2022.

Climate and Ecological Emergency Implications

22. It is not anticipated that there will be any climate and ecological emergency implications by the approval of the recommendations.

Implications completed by Hinesh Mehta, Strategic Lead – Climate Emergency, Tel: 07960 470125, Hinesh.Mehta@lbhf.gov.uk 11 November 2022.

Procurement implications

23. This report concerns the transfer of £1.13m of the SIP 1 budget from the WLA Fibre West Digital Programme to H&F in compliance with the terms of grant funding agreement dated 4 March 2019. Future procurement / contracts related to the £1.13m fund to implement the CCTV network upgrade must be procured in accordance with the Council's Standing Orders and the Public Contracts Regulations 2015.

Implications completed by: David von Ackerman – Head of Procurement, Tel: 07759044313, david.vonackerman@lbhf.gov.uk 21.11.2022

Consultation

24. This WLA Fibre Fund Project has been developed in consultation with WLA and other WLA boroughs, Ealing, Hillingdon, Harrow, Barnet, Brent, and Hounslow.

List of Appendices

Appendix 1 – LBHF SIP Sites and Areas of Economic & Social Deprivation Maps

Appendix 2 – WLA Draft Funding Agreement for H&F and WLA Fibre Fund Project

Appendix 1

Hammersmith & Fulham
SIP Sites and
Areas of Social &
Economic Deprivation

Page 51

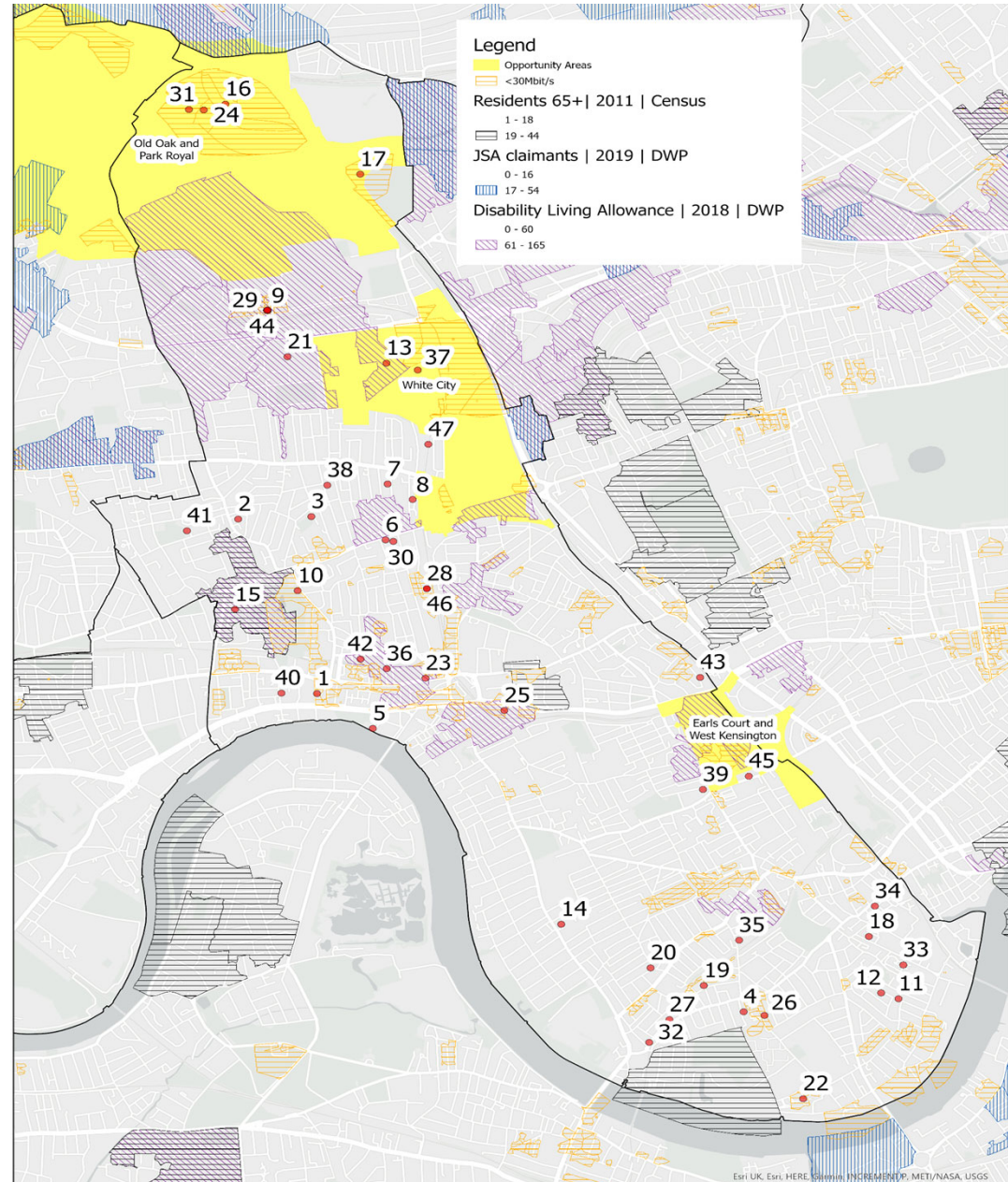


Hammersmith & Fulham Areas of Social & Economic Deprivation.

This map shows the relationship between:

- Opportunity Areas;
- Broadband <30Mbit/s;
- Residents over 65;
- Job Seekers Allowance Claimants; &
- Disability Allowance Claimants

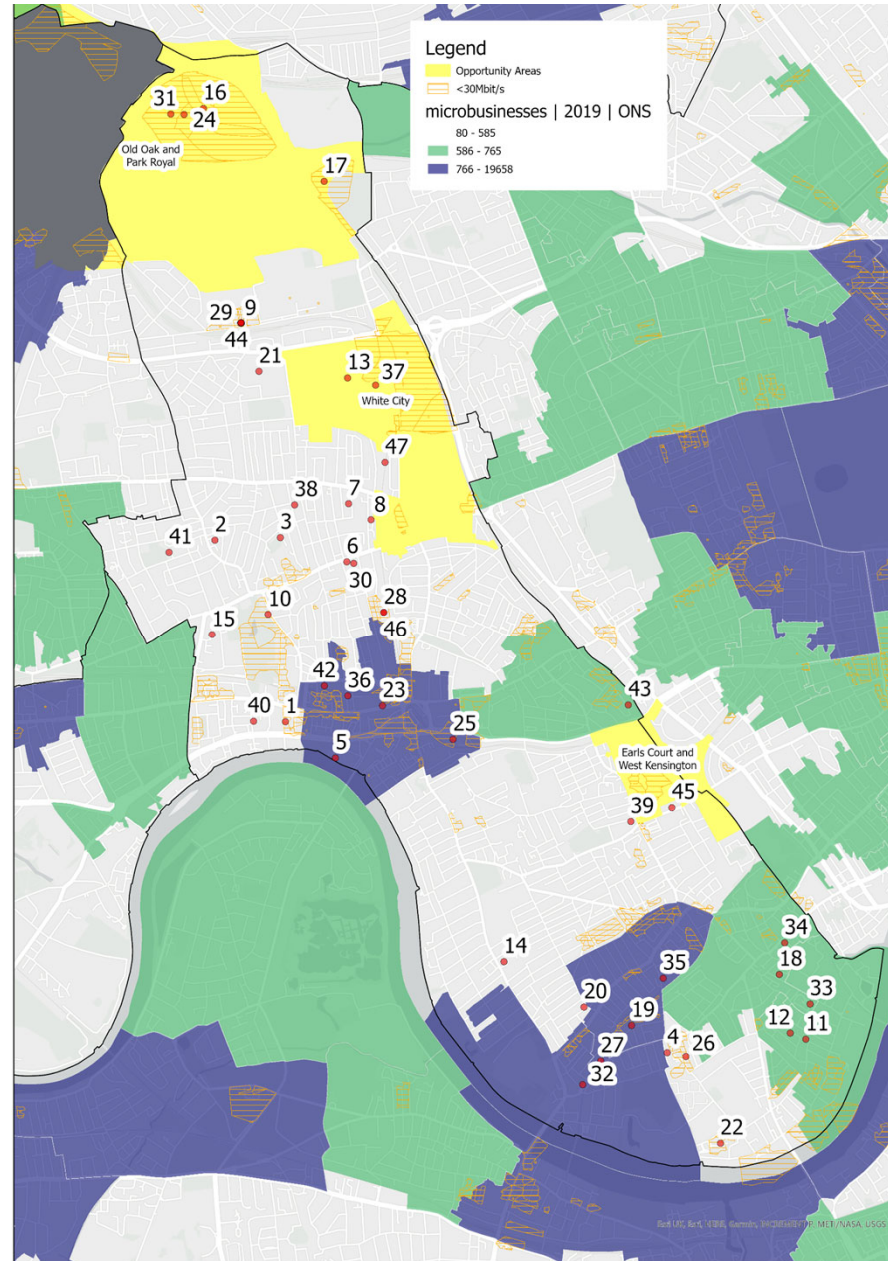
Numbers represent sites submitted for SIP funding



This map shows the relationship between:

- Opportunity Areas;
- Broadband <30Mbit/s;
- &
- Microbusinesses

Numbers represent sites submitted for SIP funding



Appendix 2

West London Alliance Fibre West Project

Grant Funding Agreement

- (1) London Borough of Ealing
- (2) London Borough of Hammersmith and Fulham

Dated 2022

Draft 10 August 2022 [(TLT)]

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Schedule 1: The Project

Schedule 2: Reporting

This Agreement is made the _____ day of _____ 2022

Between:

- (1) **London Borough of Ealing** of Perceval House 14-16, Uxbridge Road, London W5 2HL (the **Lead Authority**); and
 - (2) **London Borough of Hammersmith and Fulham** of Town Hall, King Street, London W6 9JU (the **Recipient**),
- together the “**parties**”.

Background:

- (A) The Lead Authority received grant funding of the sum of £7.7 million from the City of London Corporation from the Strategic Investment Pot Round 1 (**SIP-1**) to unlock investment in digital infrastructure under a grant funding agreement dated 4 March 2019 (the **CLC Agreement**). £6.1m of the SIP-1 funding remains available for fibre connection to public buildings, to be apportioned equally between the West London Alliance boroughs.
- (B) The Recipient is entitled to receive **£1.13million** from the **SIP-1** funding for its own fibre connections (the **Project**) under the terms of this Agreement, which mirror the terms of the CLC Agreement.

It is agreed as follows:

1 Definitions and interpretation

1.1 In this Agreement, unless the context otherwise requires, capitalised expressions shall have the meanings they are given in the clauses they are used in or as set out below:

Agreement means this grant funding agreement including the schedules to and any documents referred to in this Agreement.

CLC means the City of London Corporation.

Commencement Date means the date of this Agreement.

Data Protection Legislation means (i) the UKGDPR, (ii) the DPA 2018 to the extent that it relates to processing of Personal Data and privacy; and (iii) all applicable laws and regulations relating to processing of Personal Data and privacy.

Grant means the sum of £1.13million to be paid to the Recipient by the Lead Authority in accordance with this Agreement.

Grant Period means the period beginning on the Commencement Date and ending on the expiry or early termination of the CLC Agreement.

Intellectual Property Rights means all patents, copyright, design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and know how however arising for their full term and any renewals and extensions.

London Pilot Scheme	refers to the additional business rates retention scheme set out in Schedule 5 of the CLC Agreement (MOU) for the pooling of business rates for 2018-2019 between the Participating Authorities.
ONS	means the office for national statistics.
Personal Data	has the meaning set out in the Data Protection Legislation.
Participating Authorities	means the London Boroughs, CLC acting in its capacity as a local authority and the Greater London Authority who are all parties to the Memorandum of Understanding dated 12 December 2017 in relation to the London Pilot Scheme.
Prohibited Act	<p>means offering, giving or agreeing to give any servant of the CLC any gift or consideration of any kind as an inducement or reward for:</p> <ul style="list-style-type: none"> i. doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the CLC; or ii. showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the CLC; or iii. under the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning that Act; or iv. under legislation creating offences in respect of fraudulent acts; or v. at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the CLC.
Project	means the Recipient's activities and works with respect to digital projects and fibre connections in its administrative area as set out in Schedule 1 (The Project).
SIP Manager	means the individual who has been nominated to represent CLC for the purposes of the CLC Agreement.
UK GDPR	has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.
West London Alliance	Means the grant funded programme to roll out new fibre connections to public buildings in areas which

Fibre West Project

benefit West London's residents and businesses. The programme is a collaboration between five of the seven West London Boroughs of Ealing, Hillingdon, Barnet, Harrow and Brent.

- 1.2 In this Agreement, unless the context otherwise requires:
- 1.2.1 References to the singular shall be deemed to include the plural and vice versa and references in either gender shall be deemed to include the other and the neuter.
 - 1.2.2 References to clauses shall be to clauses of this Agreement, references to schedules shall be to the schedules to this Agreement, and references to paragraphs shall be to the paragraph in the schedule.
 - 1.2.3 References to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended or re-enacted by any subsequent statute, enactment, order, regulation or instrument and shall include all statutory instruments or orders made pursuant to it whether replaced before or after the date of this Agreement.
 - 1.2.4 Headings are inserted for convenience only and shall not affect the interpretation or construction of this Agreement.
 - 1.2.5 The documents constituting this Agreement are intended to be mutually explanatory. In the event of any conflict between any provision of the clauses to this Agreement and a provision of a schedule then the clauses shall take precedence except where the conflicting part of the other schedule is explicitly expressed to take precedence over any specific part of the clauses to this Agreement.
 - 1.2.6 The schedules form part of this Agreement and will have the same force and effect as if expressly set out in the body of this Agreement.
 - 1.2.7 The expression "person" means any individual, firm, body corporate, unincorporated association, partnership, government, state or agency of a state or joint venture.
 - 1.2.8 The words "including", "includes" and "included" will be construed without limitation unless inconsistent with the context.

2 Purpose and use of the Grant

- 2.1 The Recipient shall use the Grant only for the delivery of the Project outlined at Schedule 1 (The Project) and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purposes without the prior written agreement of the Lead Authority and CLC.
- 2.2 The Recipient shall not make any significant change to the Project without the prior written agreement of the Lead Authority and CLC.
- 2.3 Should any part of the Grant remain unspent at the end of the Grant Period, the Recipient shall ensure that any unspent monies are returned to the Lead Authority.

3 Payment of the Grant and Obligations of the Recipient

- 3.1 Subject to clause 11 the Lead Authority will transfer the Grant to the Recipient in one transaction upon the receipt of a valid receipt of an invoice for the Grant.

- 3.2 The amount of the Grant shall not be increased in the event of any overspend by the Recipient in its delivery of the Project.

4 Accounts and Records

- 4.1 The Grant shall be recognised as income by the Recipient in accordance with proper practice as soon as this Agreement is executed. The Grant is a revenue grant, though may be applied to capital spend if this is appropriate to the nature of the Project. The Recipient may use its discretion on the most appropriate way to carry the relevant funds forward to future years using accruals, earmarked or general reserves or such other mechanisms as deemed appropriate.
- 4.2 The Recipient shall keep separate, accurate and up to date accounts and records of the receipt and expenditure of the Grant monies received by it. This may be achieved using a specific cost centre or capital project in the Recipient's accounting system.
- 4.3 In line with usual practice for the proper administration of the Recipient's financial affairs, the Recipient shall keep all invoices, receipts, accounts and any other relevant documents relating to the expenditure of the Grant for a period of at least six years following the transactions. The Lead Authority and CLC shall have the right to review, at reasonable request, the Recipient's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records.
- 4.4 The Recipient shall comply and facilitate the Lead Authority's compliance with the CLC Agreement and all statutory requirements as regards accounts, audit or examination of accounts, annual report and annual returns applicable to itself and CLC.

5 Monitoring and Reporting

- 5.1 The Recipient shall closely monitor the delivery and success of the Project throughout the Grant Period to ensure that the aims and objectives of the Project are being met and that the terms of this Agreement are being adhered to.
- 5.2 The Recipient shall provide the Lead Authority with a report on its use of the Grant and delivery of the Project every quarter in the form and format set out in Schedule 2 (Reporting) as may be required by CLC or as required under the CLC Agreement. The Recipient shall provide the Lead Authority with each report within one month of the last day of the quarter to which it relates.
- 5.3 The Recipient shall on request provide the Lead Authority with such further information, explanations and documents as the Lead Authority may reasonably require in order for it to establish that the Grant has been used properly in accordance with this Agreement.
- 5.4 The Recipient shall permit any person authorised by the Lead Authority or CLC for the purpose of carrying out visits once every year to monitor the delivery of the Project. Where, in its reasonable opinion, the Lead Authority or CLC considers that additional visits are necessary to monitor the Project, it shall be entitled to authorised any person to make such visits on its behalf.
- 5.5 The Recipient shall provide the Lead Authority with a final report on completion of the Grant Period which shall confirm whether the Project has been successfully and properly completed.

6 Acknowledgement and Publicity

- 6.1 The Recipient shall acknowledge the aims and rationale of SIP-1 as specified in the CLC Agreement in any materials that refer to the Project and in any written or spoken public presentations about the Project.
- 6.2 Subject to any approvals required in clause 6.1 in using any logos or straplines relating generally to SIP-1 or the London Pilot Scheme shall comply with all reasonable branding guidelines issued by CLC from time to time.

- 6.3 The Recipient agrees to participate in and co-operate with reasonable promotional activities relating to the Project or the London Pilot Scheme that may be instigated and organised by the Lead Authority or by CLC.
- 6.4 The Recipient agrees to being acknowledged by either the Lead Authority or by CLC in relation to the wider West London Alliance Fibre West Project, the London Pilot Scheme or the Project as appropriate without prior notice.
- 6.5 The Recipient shall comply with all reasonable requests from the Lead Authority to facilitate visits, provide reports, statistics, photographs, and case studies that will assist the Lead Authority or CLC in its promotional and fundraising activities relating to SIP-1, the London Pilot Scheme or the Project.

7 Intellectual Property Rights

The Lead Authority and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, know-how and any other Intellectual Property Rights whatsoever owned by either party before the Commencement Date or developed by either party during the Grant Period remain the property of that party.

8 Confidentiality

- 8.1 Subject to clause 9 (Freedom of Information), each party shall during the Grant Period and thereafter keep secret and confidential all Intellectual Property Rights or know-how or other business, technical or commercial information disclosed to it as a result of this Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.
- 8.2 The obligation of confidentiality contained in this clause 8 shall not apply to or shall cease to apply to any Intellectual Property Rights, know-how or other business, technical or commercial information which:
 - 8.2.1 at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
 - 8.2.2 is already known to the receiving party as evidenced by written record at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligation of confidence;
 - 8.2.3 is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party; or records, reports or information obtained from the Recipient in accordance with this Agreement provided to CLC by the Lead Authority in accordance with the CLC Agreement.

9 Freedom of Information

The parties acknowledge that they are both subject to the requirements of the Freedom of Information Act 2000 (**FOIA**) and the Environmental Information Regulations 2004 (**EIRs**) and shall provide such assistance to each other as necessary in discharging those obligations pursuant to the FOIA and EIR.

10 Data Protection

Both parties shall comply with all applicable requirements of and all their obligations under the Data Protections Legislation, which arise in connection with this Agreement.

11 Withholding, suspending and repayment of the Grant

11.1 The Lead Authority's intention is that the Grant will be paid to the Recipient in full. The Lead Authority will rely on the execution of this Agreement to denote reasonable assurance that the Recipient will comply with the conditions herein. However, without prejudice to the Lead Authority's other rights and remedies, the Lead Authority may in consultation with the Participating Authorities, withhold, suspend payment of the Grant and/or require repayment of all or part of the Grant if:

- 11.1.1 the Recipient uses the Grant for purposes other than those for which it has been awarded (as set out in Schedule 1 (The Project));
- 11.1.2 the delivery of the Project is significantly delayed and the Recipient has failed to provide the Lead Authority or CLC with a reasonable explanation for the delay;
- 11.1.3 the Recipient is, in the reasonable opinion of the Participating Authorities, delivering the Project in a negligent manner;
- 11.1.4 the Recipient obtains duplicate funding from a third party for the Project;
- 11.1.5 the Recipient obtains funding from a third party which, in the reasonable opinion of CLC, undertakes activities that are likely to bring the reputation of the SIP-1 grant funding programme or the Participating Authorities into disrepute;
- 11.1.6 the Recipient provides the Lead Authority or CLC with materially misleading or inaccurate information;
- 11.1.7 the Recipient commits or committed a Prohibited Act;
- 11.1.8 any member of the governing body, employee or volunteer of the Recipient has acted dishonestly or negligently at any time and directly or indirectly to the detriment of the SIP-1 grant funding programme or taken any actions which, in the reasonable opinion of CLC bring or is likely to bring the reputation of the Participating Authorities or the SIP-1 grant funding programme into disrepute.
- 11.1.9 the Recipient fails to comply with any of the terms and conditions set out in this Agreement, which leads to a breach of the CLC Agreement and fails to rectify such failure within 28 days of receiving a written notice detailing the failure.

11.2 The Lead Authority may retain or set off any sums owed to it by the Recipient which have fallen due and payable against any sums due to the Recipient under this Agreement or any other agreement pursuant to which the Recipient provides goods or services to the Lead Authority.

11.3 The Recipient shall make any payments due to the Lead Authority without any deductions whether by way of set-off, counterclaim, discount, abatement or otherwise.

12 Anti-discrimination

12.1 The Recipient shall (and shall use reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the delivery of the Project and in the performance of this Agreement.

12.2 The Recipient shall undertake or refrain from undertaking, such acts as the Lead Authority requests so as to enable the Lead Authority to comply with its obligations under the Human Rights Act 1998.

13 Limitation of Liability

13.1 The Lead Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Grant or from withdrawal of the Grant.

13.2 The Recipient shall indemnify and hold harmless the Lead Authority, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.

13.3 Subject to clause 13.1, the Lead Authority's liability under this Agreement is limited to the payment of the Grant.

14 Warranties

14.1 The Recipient warrants, undertakes and agrees that:

14.1.1 it has all necessary resources, approvals, powers and expertise to deliver the Project (assuming due receipt of the Grant);

14.1.2 it has not committed, nor shall it commit any Prohibited Act;

14.1.3 it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Lead Authority immediately of any significant departure from such legislation, codes or recommendations;

14.1.4 it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;

14.1.5 it has and shall keep in place adequate procedures for dealing with any conflicts of interest;

14.1.6 it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;

14.1.7 all financial and other information concerning the Recipient which has been disclosed to the Lead Authority is to the best of its knowledge and belief, true and accurate;

14.1.8 it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;

14.1.9 it is not aware of anything in its own affairs, which it has not disclosed to the Participating Authorities' advisers, which might reasonably have influenced the decision of the Lead Authority to make the Grant on the terms contained in this Agreement; and

14.1.10 since the date of its last accounts there has been no material detrimental change in its financial position or prospects.

15 Insurance

- 15.1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement or delivery of the Project, including death or personal injury, loss of or damage to property or any other loss (the **Required Insurances**).
- 15.2 The Required Insurances referred to above include (but are not limited to):
- 15.2.1 public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Project; and
 - 15.2.2 employer's liability insurance with a limit of indemnity of not less than five millions pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project.

The Recipient shall (on request) supply to the Lead Authority or CLC as copy of such insurance policies and evidence that the relevant premiums have been paid.

16 Duration

- 16.1 Except where otherwise specified, the terms of this Agreement shall apply from the Commencement Date until the expiry of the Grant Period.
- 16.2 Any obligations under this Agreement that remain unfilled following the completion of the Project or the expiry of the Grant Period or the early termination of this Agreement shall survive such expiry or early termination and continue in full force and effect until they have been fulfilled.

17 Termination

The Lead Authority may terminate this Agreement and any Grant payments upon giving the Recipient two months' written notice, should it be required to do so by financial restraints or for any other reason (including but not limited to the Lead Authority's non-availability to fulfil that role moving forward or a Government decision to abandon its support for the London Pilot Scheme).

18 Assignment

The Recipient may not, without the prior written consent of the Lead Authority, assign, transfer, sub-contract or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Grant.

19 Waiver

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

20 Notices

- 20.1 All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, emailed or mailed (first class postage prepaid) to the address of the relevant party as referred to above or otherwise notified in writing.
- 20.2 If personally delivered or if emailed, all notice and communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00pm on a any working day they shall be deemed received on the next working day) and if mailed, all such notices and communications shall be deemed to have been given and received on the second working day following such mailing.

21 Dispute Resolution

- 21.1 In the event of any complaint or dispute (which does not relate to the Lead Authority's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement, the matter should first be referred for resolution to the SIP Manager or any other individual nominated by CLC from time to time.
- 21.2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the SIP Manager or other nominated individual, as the case may be, either party may refer the matter to the Chief Executive or anyone nominated by them, of the Lead Authority and the Chief Executive of the Recipient or anyone nominated by them with an instruction to attempt to resolve the dispute by agreement within 28 days or such other period as may be mutually agreed by the parties.
- 21.3 Should the complaint or dispute remain unresolved within 28 days of the matter first being referred to the Chief Executives of the parties (or their representatives), it may be further referred to a panel of three Chief Executives from the other Participating Authorities for determination.
- 21.4 In the absence of agreement under clause 21.2 and 21.3, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties). Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

22 No Partnership or agency

This Agreement shall not create any partnership or joint venture between the Lead Authority and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

23 Contracts (Rights of Third Parties) Act 1999

- 23.1 This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

24 Governing law

This Agreement shall be governed by and construed in accordance with the laws of England and the Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

Schedule 1 The Project

Insert details of Hammersmith & Fulham fibre connection project

DRAFT

Schedule 2 Reporting

25	Accountable bidding borough	26	London Borough of Ealing		
27	Partner borough	28	London Borough of Hammersmith and Fulham		
29	Other partners	30			
31	Total Project cost forecast:	32		34	Total
		33	Expenditure item		35
					Actual spend to date
36				37	£
				38	£
40		41		42	43
44		45		46	47
48		49	Total (should equal funding total)	50	51
52	Funding for the total forecast:	53		57	Total
		54			58
		55	Funding Source		Actual spend to date
59		56		60	£
				61	£
62		63	SIP	64	65
66		67		68	69
70		71		72	73
74		75	Total (should equal total Project cost forecast)	76	77
78	Update on Project and progress	79			
80	Update on scale of economic benefit	81			
82	Officer contact details	83			

I hereby certify that the terms and conditions of the Grant have been met, the above report represents a true and fair picture of the position on the Project, and the above amounts have been spent or received by the Recipient.

Authorised by: _____ (Section 151 Officer)

DRAFT

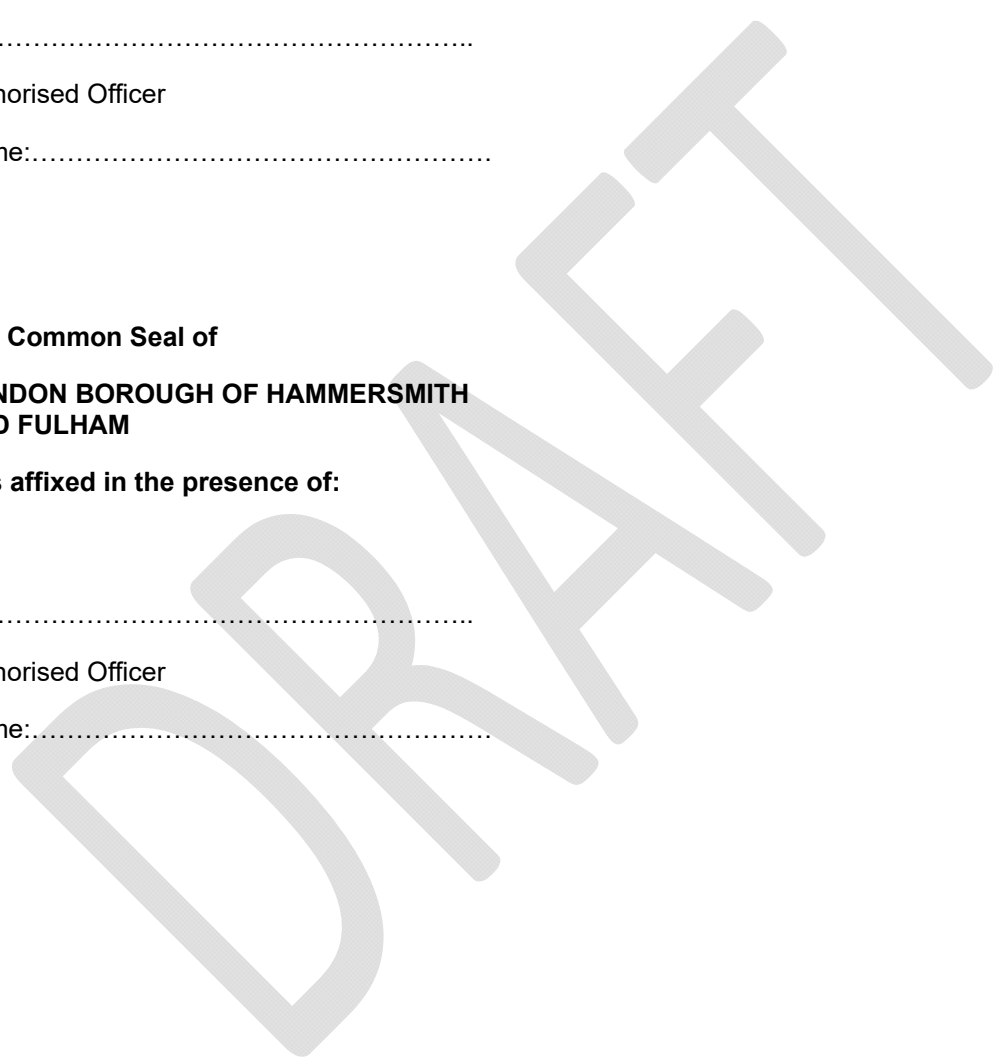
IN WITNESS whereof this Agreement has been executed as a Deed on the day and year first above written.

**The Common Seal of
LONDON BOROUGH OF EALING
was affixed in the presence of:**

.....
Authorised Officer
Name:.....

**The Common Seal of
LONDON BOROUGH OF HAMMERSMITH
AND FULHAM
was affixed in the presence of:**

.....
Authorised Officer
Name:.....



LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: Council Tax Support Scheme 2023/24

Report of: Cabinet Member for Finance and Reform, Councillor Rowan Ree

Report author: Kirsty Brooksmith, Head of benefits

Responsible Director: Sukvinder Kalsi – Director of Finance

SUMMARY

Since 2013, every council has been required to set its own Council Tax Support Scheme, setting out how it wants to help those on low income pay their council tax. The administration is determined to ensure that not only are residents no worse off than they would have been had the original council tax benefit regulations stayed in place, but also to try and reverse some of the regressive elements of Council Tax, by ensuring that lower income families are supported by the council. This constitutes a £7.90m investment by the Council to support the borough's lowest income families for 2023/24.

Funding for the Council Tax Support Scheme was originally provided through Revenue Support Grant (RSG) from the Government. Government grant funding has reduced by £58m (55% in real terms) from 2010/11 to 2022/23. Therefore, the cost of funding is fully borne by the Council and Greater London Authority

Residents are facing the most challenging of times with the cost-of-living crisis, therefore the Council is committed to ensuring that we continue to support our residents with the maximum amount of support we can, through the Council Tax Support Scheme for 2023/24.

Hammersmith and Fulham are one of only 34 Councils out of 326 across England to take this approach. Most other councils have introduced a "minimum payment", which requires everyone to pay at least some Council Tax regardless of their income. The average minimum payment has risen on average from 0% to 19% in recent times.

Research carried out in 2021/22 by the New Policy Institute (NPI) reported that there were relatively few changes to CTR schemes. However eleven local authorities changed their minimum payment or band cap. Four schemes became harsher in some way, but five lowered their minimum payment. Three of these introduced an income banded scheme and removed the minimum payment for claimants in the first of these bands. Our Scheme for 2023/24 remains the most effective scheme for ensuring we provide the maximum support to our residents with 100% support to those on the lowest incomes.

Latest releases from the Department of Levelling up Housing and Community inform that as at 31 March 2022, the total amount of council tax still outstanding in England amounted to £5.0 billion. This is an increase of £540 million over the figure for 2020-21 and has largely been attributed to the impact of the covid pandemic and councils' delay in commencing recovery activity. Research by the Child Poverty Action Group and Z2K (Still Too Poor to Pay: Council Tax Support in London 2018-19 (2020)), reported that the impact of making changes to local Council Tax Support Schemes on household budgets pushed 11% of the people affected into debt. This is why this council has once again chosen not to introduce changes to their local schemes and remains committed to offering the most help to the lowest income families in our borough.

This report is therefore not proposing to make any changes to the Council Tax Support Scheme for 2023/24 other than the application of the annual uprating.

The annual uprating will apply to the allowances, applicable amounts, and income for both pensioners and working age Department of Work and pensions (DWP) benefits, as per the Housing Benefit uprating circular issued to local authorities in late November 2022. This circular advises the new rates from April 2023. All local authorities have a duty to apply uprating to their Housing Benefit Scheme and we propose to continue to reflect this uprating within our Council Tax Support Scheme to mirror the original intention of the default scheme. This will ensure transparency, ease of administration and clarity for our residents.

RECOMMENDATIONS

That Cabinet agrees the following recommendations to be approved by full Council:

1. That the Council Tax Support Scheme in operation in 2022/2023 (included at Appendix 1) shall continue in 2023/2024.
2. That the Council shall apply the annual uprating of allowances, applicable amounts and income, set out in the DWP Housing Benefit circular, to the Council Tax Support scheme for 2023/2024.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	We'll support our low-income residents by ensuring our scheme gives them the maximum benefit of up to 100%, contributing to keeping their living costs, including their council tax, affordable.
Creating a compassionate council	We are continuing our local Council Tax Support Scheme to the most vulnerable amongst us, so we know they are

	looked after financially.
Doing things with local residents, not to them	We'll continue to listen to and work with our residents by offering financial support to them. We will continue to monitor the impacts of economic and welfare changes on our residents, ensuring we understand their needs. This will allow us to continue to target our help to support them where they say it is needed the most.
Being ruthlessly financially efficient	We want our residents to know we are working to protect and maintain policies that protect our most vulnerable.

Financial Impact

The Council Tax Support Scheme operates by offering a discount to residents who need help paying their council tax. The cost of the scheme is shared between Hammersmith & Fulham Council and the Greater London Authority based on their respective council tax charges. The scheme cost is estimated at £11.91m in 2023/24, based on current council tax levels, of which the Hammersmith and Fulham share will be £7.90m. This estimate is allowed for within the 2023/24 council tax base report.

Funding for the Council Tax Support Scheme was originally provided through Revenue Support Grant (RSG) from the Government. Government grant funding has reduced by £58m (55% in real terms) from 2010/11 to 2022/23. Therefore, the cost of funding is fully borne by the Council and Greater London Authority.

Name: Andre Mark, Head of strategic planning and monitoring, Email: andre.mark@lbhf.gov.uk

Verified by Sukvinder Kalsi, Director of Finance, 24/11/2022

Legal Implications

Each financial year the Council must consider whether it wants to revise its Council Tax Support Scheme, leave as is or replace it. The Council must make this decision no later than 31 January in the financial year preceding when the scheme is to take effect.

The Council has a statutory duty to set the council tax each year and this report is part of this process. The Council can only vary or set council tax discounts or higher amounts as legally empowered to do so. The relevant regulations and legislation are the Local Government Finance Act 1992, the Local Authorities (Calculation of Council Tax Base) Regulations 2012, and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, as amended in 2012. The Council Tax base has been calculated in accordance with the relevant Acts and regulations.

Name: Jade Monroe, Chief Solicitor, Email: jade.monroe@lbhf.gov.uk, 22/11/2022

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. No further options regarding proposing changes to introduce a minimum contribution have been considered this year. Changes such as this would result in working age families having to contribute to their Council Tax. These options have not been considered in light of the cost-of-living crisis and the financial difficulties residents are facing at this current time.

Reasons for Decision

2. The Council are not proposing any changes to the scheme this year. This scheme is particularly important this year in light of the financial challenges residents are facing due to the ongoing economic impacts of the cost-of-living crisis, including the rising fuel and food prices, and the significant inflationary increases in overall living costs.
3. The Council continues to see evidence of reliance on the use of foodbanks across Hammersmith & Fulham which we are continuing to monitor and support through the work we are doing through our cost-of-living board. Efforts are concentrated on ensuring food banks and residents continue to receive funding through any government grants received in 2022/23 to help mitigate the impact of reducing household disposable income. The consequence of changing the scheme would have exposed the lowest income families to a reduction in their income which would have led to a rise in arrears and complexities around income collection for both council rents and Council Tax.
4. Currently there are 13,242 households receiving Council Tax Support in Hammersmith & Fulham, of these 4,834 are pensioner age therefore would be unaffected by any changes to the Council Tax Support Scheme and 8,408 are of working age. Therefore, any changes made would detrimentally impact the largest proportion of officers' caseload.
5. The Council has concluded that if changes were made to the scheme to introduce a minimum contribution towards council tax for working age customers on low incomes, it would be seeking repayment from the poorest in our society, many of whom have already been severely financially impacted this year.

Equality Implications

6. There are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these proposals.

Risk Implications

7. Over the last decade, local authorities have received significant real terms cuts to budgets, in addition the Government's Universal Credit Scheme has posed challenges to the poorest and most vulnerable in society. Council tax benefit was a UK-wide benefit that provided support for council tax to low-income families. This was abolished in April 2013 and local authorities in England were charged with designing their own council tax support schemes in its place. Although these must maintain support for pensioners at its previous level, local authorities have wide discretion to design their own schemes for working-age families. The Council's scheme contributes positively to our residents, meeting their needs and expectations. It also contributes to our council values most specifically being a compassionate council, so the most vulnerable among us are looked after.

Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 22/11/2022

Climate and Ecological Emergency Implications

8. There are no anticipated climate or ecological implications as a result of the approval of this recommendation.

Consultation

9. There is no requirement to consult this year as we are not proposing any changes to our scheme.

LIST OF APPENDICES

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**London Borough of Hammersmith and
Fulham
Council Tax Reduction Scheme
2022/23**

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PART 1 - Introduction

1.– Citation, commencement and application

- (1) This scheme may be cited as the London Borough of Hammersmith and Fulham Council Tax Reduction Scheme 2022/23 and comes into effect on 1 April 2022.
- (2) This scheme applies in relation to the billing authority in England known as the London Borough of Hammersmith and Fulham.
- (3) This Council Tax Reduction Scheme for working age applicants has been determined by the Council and is intended to assist people in financial need, by the award of a reduction in their council tax liability. It is a local scheme determined in respect of a decision made by full Council. Central Government has prescribed that the reduction given to pensioners.
- (4) The scheme in respect of pension age applicants is defined by Central Government within the following:
 - (a) Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - (b) Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - (c) Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - (d) Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - (e) Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - (f) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
 - (g) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015;
 - (h) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
 - (i) The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017;
 - (j) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
 - (k) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
 - (l) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021;
 - (m) The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
 - (n) The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2022; and
 - (o) Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012)
- (5) Whilst the scheme for those who have reached the qualifying age for state pension credit is set by Central Government, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012) to disregard in full the following:
 - (a) a war disablement pension;
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

The provisions outlined above, enhance the Central Government's scheme for Pension age applicants

- (6) The incomes outlined within paragraph (6) shall also be disregarded in full for all persons who are not pensioners. Both this and the enhancement to the pensioner's scheme meets the authority's commitment to the Armed Forces Covenant.
- (7) Except where otherwise stated, an uprating will be applied to the Council Tax Reduction Schemes to reflect national changes to the amounts of pensions, tax credits, income related and non-income related social security benefits and allowances, component parts, applicable amounts, premiums and deductions.

PART 2 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 30 and Schedule 4;

“**applicable amount**” means—

(a) in relation to a pensioner, the amount calculated in accordance with paragraph 24 and Schedule 2, and

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

(i) paragraph 25 and Schedule 3; or

(ii) paragraph 27,

as the case may be;

“**applicant**” means a person applying for a reduction under this scheme;

“**application**” means an application for a reduction under this scheme;

“**appropriate DWP office**” means an office of the Department for Work and Pensions dealing with state pension credit or 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;

“**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 the period determined—

(a) in relation to pensioners—

(i) in relation to the earnings of a self-employed earner, in accordance with paragraph 42 of this scheme for the purpose of calculating the weekly earnings of the applicant;

or

(ii) in relation to any other income, in accordance with paragraph 39 of this scheme 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 46 to 48 of this scheme over which income falls to be calculated;

“**attendance allowance**” means—

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

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

(c) a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to that Act;

(d) an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to that Act;

(e) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(f) any payment based on need for attendance which is paid as part of a war disablement pension;

“**the authority**” means the billing authority in whose area this scheme has effect by virtue of paragraph 4 of Schedule 1A to the 1992 Act

“**basic rate**” has the meaning given by the Income Tax Act 2007;

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

“**board and lodging accommodation**” means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the

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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 care costs element**” has the meaning given by regulation 27 of the Universal Credit Regulations 2012;

“**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 of this scheme;

“**DACYP Regulations**” means the Disability Assistance for Children and Young People (Scotland) Regulations 2021

“**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;

“**dwelling**” has the meaning given by section 3 of the 1992 Act;

“**earnings**” has the meaning given by paragraph 40, 42, 43 or 50 of this scheme as the case may be;

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

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

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

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

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

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

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

“extended reduction period” means the period for which a person is in receipt of an extended reduction in accordance with paragraph 87, 94 or 99;

“extended reduction (qualifying contributory benefits)” means a reduction under this scheme for which a person is eligible in accordance with paragraph 87 or 98;

“family” has the meaning given by paragraph 6 of this scheme;

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

“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;

“housing costs element” has the meaning given by regulation 21 of the Universal Credit Regulations 2012;

“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;

“local authority” means a local authority in England within the meaning of the Local Government Act 1972

“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;

“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

“member of a couple” means a member of a married or unmarried couple;

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

“mobility supplement” means—

(a) in relation to pensioners, a supplement to which paragraph 5(1)(a)(vi) of Schedule 5 to this scheme 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 41 or 51 of this scheme, as the case may be;

“net profit” means such profit as is calculated in accordance with paragraph 60 of this scheme;

“new dwelling” means, for the purposes of the definition of “second authority” and paragraphs 89, 96 and 101, 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 of this scheme;

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

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

- (i) arising out of an exceptional event or exceptional circumstances, or
- (ii) that needs to be met to avoid a risk to the well-being of an individual, and

(b) enabling qualifying individuals to establish or maintain a settled home, and—

(i) “local authority” has the meaning given by section 270(1) of the Local Government Act 1972; and

(ii) “qualifying individuals” means individuals who have been, or without the assistance might otherwise be—

(aa) in prison, hospital, an establishment providing residential care or other institution, or

(bb) homeless or otherwise living an unsettled way of life;

“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; or

(b) where that person is polygamously married to two or more members of his household, any such member to whom he is married;

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

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

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

“pensioner” has the meaning given by paragraph 3(2)(a) of this scheme;

“person on income support” means a person in receipt of income support;

“person who is not a pensioner” has the meaning given by paragraph 3(2)(b) of this scheme;

“persons treated as not being in Great Britain” has the meaning given by paragraph 21 of this scheme;

“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 of this scheme applies;

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

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

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

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

“qualifying contributory benefit” means—

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

“qualifying 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 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, Discretionary Fund, the Windrush Compensation Scheme 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 of this scheme;

“rent” means **“eligible rent”** to which regulation 12 of the Housing Benefit (Persons who have acquired 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 29 (non-dependant deductions) of this scheme;

“resident” has the meaning given by Part 1 of the 1992 Act;

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

“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(b))

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

“Scottish taxpayer” has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998(f);
“second authority” means the authority to which a mover is liable to make payments for the new dwelling;

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

“self-employment route” means assistance in pursuing self-employed earner’s employment whilst participating in—

(a) an employment zone programme;

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

(c) the Employment, Skills and Enterprise Scheme;

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

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

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

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

“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

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

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

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

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

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, that department or approved by that department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers, but it does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973, or is training as a teacher;

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

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

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

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

“war pension” means a war disablement pension, a war widow’s pension or a war widower’s pension;

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

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

“water charges” means—

- (a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,
- (b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;
- “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 in accordance with regulation 27A of the Jobseeker’s Allowance Regulations 1996 or section 19 or 20A or regulations made under section 17A of the Jobseekers Act 1995 (circumstances in which a jobseeker’s allowance is not payable); or
- (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations 1996 or section 19 or 20A or regulations made under section 17A of that Act;
- (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
- (d) in respect of which an income-based jobseeker’s allowance or a joint-claim jobseeker’s allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- (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 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 any person 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 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
 - (a) 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
 - (b) 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) In this scheme—

- (a) a person is a “pensioner” if—
 - (i) he has attained the qualifying age for state pension credit; and
 - (ii), he is not and, if he has a partner, his partner is not—
 - (aa) a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit; and
 - (b) a person is a “person who is not a pensioner” if—
 - (i) he has not attained the qualifying age for state pension credit; or
 - (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is—
 - (aa) a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance, or
 - (bb) a person with an award of universal credit.
- (2) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (1) an award of universal credit is to be disregarded during the relevant period.
- (3) In this regulation—
 “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.—(1) In this scheme “couple” means—

- (a) a man and woman who are married to each other and are members of the same household;
 - (b) a man and woman who are not married to each other but are living together as if they were a married couple or civil partners;
 - (c) two people of the same sex who are civil partners of each other and are members of the same household; or
 - (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners.
- (2) Two people of the same sex who are not civil partners of each other are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex.

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 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;

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 to be treated as a member of the applicant’s household where he is—

(a) placed with the applicant or his partner by a local authority under section 22C or 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or 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 with the applicant or his partner under a relevant enactment; or

(b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or

(c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.

- (3) Subject to sub-paragraph (4), sub-paragraph (1) does not apply to a child or young person who is not living with the applicant and who—
- (a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
 - (b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
 - (c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.
- (4) The authority must treat a child or young person to whom sub-paragraph (3)(a) applies as being a member of the applicant’s household in any reduction week where—
- (a) that child or young person lives with the applicant for part or all of that reduction week; and
 - (b) the authority considers that it is reasonable to do so taking into account the nature and frequency of that child’s or young person’s visits.
- (5) In this paragraph “relevant enactment” means—
- (a) the Army Act 1955;
 - (b) the Air Force Act 1955;
 - (c) the Naval Discipline Act 1957;
 - (d) the Matrimonial Proceedings (Children) Act 1958;
 - (e) the Social Work (Scotland) Act 1968;
 - (f) the Family Law Reform Act 1969;
 - (g) the Children and Young Persons Act 1969;
 - (h) the Matrimonial Causes Act 1973;
 - (i) the Children Act 1975;
 - (j) the Domestic Proceedings and Magistrates’ Courts Act 1978;
 - (k) the Adoption and Children (Scotland) Act 2007;
 - (l) the Family Law Act 1986;
 - (m) the Children Act 1989;
 - (n) the Children (Scotland) Act 1995; the Children’s Hearings (Scotland) Act 2011; and;
 - (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 subparagraph (2) applies, who normally resides with an applicant or with whom an applicant normally resides.
- (2) This paragraph applies to—
- (a) any member of the applicant’s family;
 - (b) if the applicant is polygamously married,
 - (i) where the applicant has (alone or jointly with his partner) an award of universal credit, any—
 - (aa) party to such a marriage other than the applicant’s partner; and
 - (bb) any child or young person who is a member of his household and for whom he or his partner or another party to the polygamous marriage is responsible; or
 - (ii) in any other case, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
 - (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of paragraph 8 (households);
 - (d) subject to sub-paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);
 - (e) subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant’s partner in respect of the occupation of the dwelling;
 - (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

- (3) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is a non-dependant—
- (a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either—
 - (i) that person is a close relative of his or his partner; or
 - (ii) the tenancy or other agreement between them is other than on a commercial basis;
 - (b) a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of a council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
 - (c) a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the change giving rise to the new liability was not made to take advantage of a council tax reduction scheme.

Remunerative work

- 10.—(1) Subject to the following provisions of this paragraph, a person must be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.
- (2) Subject to sub-paragraph (3), in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard must be had to the average of hours worked over—
- (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
 - (b) in any other case, the period of 5 weeks immediately prior to the date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.
- (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

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

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

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

13. On any day class A consists of any person who is a pensioner—
- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
 - (b) who, subject to paragraph 19, 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 calculated in accordance with paragraph 24 and Schedule 2, and
 - (f) who has made an application for a reduction under this scheme.

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, 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 calculated in accordance with paragraph 24 and Schedule 2;
 - (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 $2\frac{6}{7}$ per cent of the difference between his income for the relevant week and his applicable amount, and
 - (g) who has made an application for a reduction under this scheme.

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, 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 for a reduction under this scheme; 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 income, of one or more residents to whom this sub-paragraph applies.

- (3) Sub-paragraph (1) applies to any other resident of the dwelling who—
- (a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
 - (b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
 - (c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
 - or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
 - (d) is not a person who jointly with the applicant falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
 - (f) 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, 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 calculated in accordance with paragraph 25 and Schedule 3, and
 - (f) who has made an application for a reduction under this scheme.

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, 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 calculated in accordance with paragraph 25 and Schedule 3;
 - (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 for a reduction under this scheme.

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 and persons who are not 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) 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) subject to sub-paragraph (2D), a period of absence within Great Britain 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 –

- 1. a person returns to Great Britain after a period of absence from Great Britain (period A);
 - 2. 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
 - 3. 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–

- 1. a person is temporarily absent from Great Britain;
- 2. 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–

- 1. the person's partner or a child or young person for whom the person or the person's partner is responsible;
 - 2. the person's close relative;
 - 3. the close relative of the person's partner; or
 - 4. 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 subparagraph (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;
 - (i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007, or is detained in custody pending sentence upon conviction;
- (b) is resident in a hospital or similar institution as a patient;
- (c) is undergoing, or whose partner or dependent child is undergoing medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- (d) is following a training course;
- (e) is undertaking medically approved care of a person;
- (f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;
- (g) is receiving medically approved care provided in accommodation other than residential accommodation;
- (h) is a student;
- (i) is receiving care provided in residential accommodation and is not a person to whom subparagraph (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(a),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 subparagraph (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 subparagraph (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; 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(a);

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964(b) 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(c)), 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;” and

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

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

“residential accommodation” means accommodation which is provided in—

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

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

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

Transitional provision

19A (1) Subject to paragraph (2), the amendments made by regulation 2(3)(a), 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 where the person is -

(i) a jobseeker for the purpose of the definition of a ‘qualified person’ in regulation 6(1) of those regulations, or,

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

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

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

(a) (removed)

(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(6) 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(8), 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 sub-paragraph (a);

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

- (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
- (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020(7);
- (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 1971¹ where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (i) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance or
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4)

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

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

(8) In this paragraph—
 "claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
 "EEA Regulations" means the Immigration (European Economic Area) Regulations 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;
 "EEA national" has the meaning given in regulation 2(1) of the EEA Regulations;";
 "family member" has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);";
 "relevant person of Northern Ireland" has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971.

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

22.—(1) Persons subject to immigration control are not entitled to a reduction under this scheme.

¹ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

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

(2A) A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom and is not a person subject to immigration control for the purpose of paragraph (1)dc

Class of person excluded from this scheme: capital limit

23.–(1) The class of person described in this paragraph consists of any person whose capital exceeds £16,000.

(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

Applicable amounts: persons who are not pensioners

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

- (a) an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 3;
- (b) an amount in respect of any child or young person who is a member of his family, determined in accordance with paragraph 3 of that Schedule;
- (c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of that Schedule (family premium);
- (d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums);
- (e) the amount of either the—
 - (i) work-related activity component; or
 - (ii) support component,
- (f) 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).

(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

(3) In Schedule 3—

“additional spouse” means a spouse by the party to the marriage who is additional to the party to the marriage;

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

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

Polygamous marriages: persons who are not pensioners

27.—(1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

(2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in his case—

- (a) the amount applicable to him and one of his partners determined in accordance with paragraph 1(3) of Schedule 3 as if he and that partner were a couple;
- (b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of that Schedule in respect of each of his other partners;
- (c) an amount determined in accordance with paragraph 2 of that Schedule (main phase employment and support allowance) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;

- (d) if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of that Schedule (family premium);
- (e) the amount of any premiums which may be applicable to him determined in accordance with Parts 3 and 4 of that Schedule (premiums);
- (f) the amount of either the—
 - a. (i) work-related activity component; or
 - b. (ii) support component,
 which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);
- (g) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

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

- 28.—(1) Subject to sub-paragraph (2), in determining the applicable amount for a week of an applicant who is not a pensioner—
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).
- (2) In determining the applicable amount for a week of an applicant who is a member of a polygamous marriage, the fact that two people are husband and wife is to be disregarded if—
- (a) one of them is a party to an earlier marriage that still subsists; and
 - (b) the other party to that earlier marriage is living in the same household.
- (3) The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.
- (4) In this paragraph “maximum amount” means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012.

PART 7 Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

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

- 29.—(1) Subject to sub-paragraphs (2) to (4), the maximum council tax reduction payable to a pensioner in respect of a day is 100 per cent of the amount A/B 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 29 (non-dependant deductions: pensioners and persons who are not pensioners).
- (2) In calculating a person’s maximum council tax reduction under this scheme any support 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 support under this scheme), is to be taken into account.
- (3) Subject to sub-paragraph (5), 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 (4) does not apply in his case.
- (5) The reference in sub-paragraph (4) to a person with whom an applicant is jointly and severally liable for council tax does not include a student to whom paragraph 73(2) 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-dependent deductions: pensioners and persons who are not pensioners

- 30.—(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum council tax reduction) shall be;
- (a) in respect of a non-dependant aged 18 or over in remunerative work, £12.85 x 1/7;
 - (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £4.20 x 1/7.
- (2) In the case of a non-dependant aged 18 or over to whom paragraph 58.1(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—
- (a) less than £224.00, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
 - (b) not less than £224.00, but less than £389.00, the deduction to be made under this section shall be £8.55 x 1/7;
 - (c) not less than £389.00, but less than £484.00, the deduction to be made under this section shall be £10.70 x 1/7.
- (3) Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount is to be deducted.
- (4) In applying the provisions of sub-paragraph (2) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple’s or, as the case may be, all members of the polygamous marriage’s joint weekly gross income.
- (5) Where in respect of a day—
- (a) a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
 - (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and
 - (c) the person to whom paragraph (a) refers is a non-dependent of two or more of the liable persons, the deduction in respect of that non-dependent 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-dependent 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-dependent—
- (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-dependent who is a student to whom paragraph 4 of that Schedule refers, or
 - (c) 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-dependent’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), the Windrush Compensation Scheme or the National Emergencies Trust 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) Subject to the maximum reduction specified by paragraph 12 and 28, the amount of the reduction to which the person is entitled is whichever is the greater of—
(a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and
(b) the amount of the reduction given by sub-paragraph (4).

PART 10 Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

**CHAPTER 1 Income and capital: general
Calculation of income and capital: applicant's family and polygamous marriages**

- 33.–(1) The income and capital of—
(a) an applicant; and
(b) any partner of that applicant,
(c) 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-dependent is to be treated as applicant's

- 34.—(1) Sub-paragraph (2) applies where it appears to the authority that a non-dependent and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependent 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-dependent 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-dependent under sub-paragraph (2) the income and capital of that non-dependent 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-dependent.

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-dependent 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) (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. For the avoidance of doubt the award of Universal Credit shall be determined **before** any deduction, sanction, advance etc.
- (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 **before** any deduction, sanction, advance etc;
 - (b) paragraph 34 (circumstances in which income and capital of non-dependent 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-dependent 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.

(7) 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.

Tolerance of cases where Universal Credit is in payment.

(8) Where the authority receives any notification from the Secretary of State for Work and Pensions that a person who is awarded Universal Credit has a change in that award of less than £5, no adjustment shall be made to the applicant’s Council Tax Reduction.

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;
- (zi) Universal Credit;
- (i) income from capital other than capital disregarded under Part 1 of Schedule 9;
- (j) social security benefits, other than retirement pension income or any of the following benefits—
 - (i) disability living allowance;
 - (ii) personal independence payment;
 - (iii) an AFIP;
 - (iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);
 - (v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of that Act (increase for exceptionally severe disablement);
 - (vi) child benefit;
 - (vii) any guardian’s allowance payable under section 77 of the SSCBA (guardian’s allowance);
 - (viii) any increase for a dependent, other than the applicant’s partner, payable in accordance with Part 4 of that Act (increases for dependants);
 - (ix) any—
 - (aa) social fund payment made under Part 8 of the SSCBA (the social fund), or
 - (bb) occasional assistance;
 - (x) Christmas bonus payable under Part 10 of that Act (Christmas bonus for pensioners);
 - (xi) housing benefit;
 - (xii) council tax benefit;
 - (xiii) bereavement payment;
 - (xiv) statutory sick pay;
 - (xv) statutory maternity pay;
 - (xvi) ordinary statutory paternity pay payable under Part 12ZA of the SSCBA;
 - (xvii) statutory shared parental pay under Part 12ZC of that Act
 - (xviii) statutory parental bereavement pay under Part 12ZD of the SSCBA
 - (xix) additional statutory paternity pay payable under Part 12ZA of the SSCBA;
 - (xx) statutory adoption pay payable under Part 12ZB of that Act (statutory adoption pay);
- (xix) Removed
- (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(11);
- (xxv) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018(12);
- (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 to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria;
- (n) payments under a scheme made under the Pneumoconiosis etc. (Worker's Compensation) Act 1979;
- (o) payments made towards the maintenance of the applicant by his spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by his spouse, civil partner, former spouse or former civil partner, including payments made—
 - (i) under a court order;
 - (ii) under an agreement for maintenance; or
 - (iii) voluntarily;
- (p) payments due from any person in respect of board and lodging accommodation provided by the applicant;
- (q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (r) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982;
- (s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;
- (t) any sum payable by way of pension out of money provided under—
 - (i) the Civil List Act 1837,
 - (ii) the Civil List Act 1937,
 - (iii) the Civil List Act 1952,
 - (iv) the Civil List Act 1972, or
 - (v) the Civil List Act 1975;
- (u) any income in lieu of that specified in paragraphs (a) to (r);
- (v) any payment of rent made to an applicant who—
 - (i) owns the freehold or leasehold interest in any property or is a tenant of any property;
 - (ii) occupies part of the property; and
 - (iii) has an agreement with another person allowing that person to occupy that property on payment of rent;
- (w) any payment made at regular intervals under an equity release scheme;
- (x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.

(2) Where the payment of any social security benefit referred to in sub-paragraph (1) or retirement pension income to which section 16(1)(za) to (e) of 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), (4A) or (5), for the purposes of calculating the weekly income of an applicant who is a pensioner, where the period in respect of which a payment is made—
- (a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;
 - (b) exceeds a week, the amount to be included in the applicant's weekly income is to be determined—
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
 - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;
 - (iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.
- (2) Sub-paragraph (3) applies where—
- (a) the applicant's regular pattern of work is such that he does not work the same hours every week; or
 - (b) the amount of the applicant's income fluctuates and has changed more than once.
- (3) The weekly amount of that applicant's income is to be determined—
- (a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or
 - (b) in any other case, on the basis of—
 - (i) the last two payments if those payments are one month or more apart;
 - (ii) the last four payments if the last two payments are less than one month apart; or
 - (iii) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.
- (3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
 - (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
 - (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter, regardless of whether those earnings were actually received in that reduction week
- (4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.
- (4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—
- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
 - (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
 - (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each reduction week thereafter, regardless of whether those earnings were actually received in that reduction week.
- (5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that payment is to be treated as if made in respect of a period of a year.
- (6) This sub-paragraph applies to—
- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
 - (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982; and
 - (c) any payment which is made on an occasional basis.
- (7) The period under which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.
- (8) Where payments are made in a currency other than Sterling, the value of the payment is to be determined by taking the Sterling equivalent on the date the payment is made.
- (9) The sums specified in Schedule 5 are to be disregarded in calculating—
- (a) the applicant's earnings; and
 - (b) any amount to which sub-paragraph (6) applies where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book or work referred to in sub-paragraph (6)(b).
- (10) For the purposes of sub-paragraph (9)(b), and for that purpose only, the amounts specified in sub-paragraph (6) is to be treated as though they were earnings.
- (11) Income specified in Schedule 6 is to be disregarded in the calculation of the applicant's income.
- (12) Schedule 9 (capital disregards: pensioners) has effect so that—
- (a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and
 - (b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 71 (calculation of tariff income from capital: pensioners).
- (13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

Earnings of employed earners: pensioners

- 41.—(1) Subject to sub-paragraph (2), “earnings”, in the case of employment as an employed earner who is a pensioner, means any remuneration or profit derived from that employment and includes—
- (a) any bonus or commission;
 - (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
 - (c) any payment in lieu of notice;
 - (d) any holiday pay;
 - (e) any payment by way of a retainer;
 - (f) any payment made by the applicant’s employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant’s employer in respect of—
 - (i) travelling expenses incurred by the applicant between his home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant’s absence from home;
 - (g) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person’s earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001;
 - (h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;
 - (i) statutory paternity pay payable under Part 12ZA of that Act;
 - (j) statutory adoption pay payable under Part 12ZB of that Act;
 - (k) any sums payable under a contract of service—
 - (i) for incapacity for work due to sickness or injury; or
 - (ii) by reason of pregnancy or confinement.
- (2) Earnings does not include—
- (a) subject to sub-paragraph (3), any payment in kind;
 - (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
 - (c) any occupational pension;
 - (d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;
 - (e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996 in respect of unfair dismissal or unlawful discrimination;
 - (f) any payment in respect of expenses arising out of the applicant’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)(g).

Calculation of net earnings of employed earners: pensioners

- 42.—(1) For the purposes of paragraph 57 (calculation of income on a weekly basis), the earnings of an applicant who is a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 40(5) and Schedule 5 (sums to be disregarded from earnings: pensioners), be his net earnings.
- (2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—
- (a) any amount deducted from those earnings by way of—
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
 - (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
 - (c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and
 - (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable

under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

- (3) In this paragraph “qualifying contribution” means any sum which is payable periodically as a contribution towards a personal pension scheme.
- (4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined—
 - (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - (b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- (5) Where the earnings of an applicant are determined under paragraph 40(2)(b) (calculation of weekly income: pensioners) his net earnings is to be calculated by taking into account those earnings over the assessment period, less—
 - (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 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.

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 or 23(2)(a) of the Children Act 1989 or, as the case may be, section 26(1) of the Children (Scotland) Act 1995; or
 - (ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009 or who is a kinship carer under those Regulations;

- (c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);
- (d) any payment made to the applicant or his partner for a person (“the person concerned”) who is not normally a member of the applicant’s household but is temporarily in his care, by—
 - (i) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (ii) a voluntary organisation;
 - (iii) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006; or
 - (v) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006;
 - (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 of the SSCBA;
 - (c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965.
- (3) For the purposes of sub-paragraph (2), entitlement has been deferred—
- (a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;
 - (b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA; and
 - (c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965.
- (4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit—
- (a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;
 - (b) fails to purchase an annuity with the funds available in that scheme; and
 - (c) either—
 - (i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or
 - (ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or
 - (iii) income withdrawal is not available to him under that scheme.
- (5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.

- (6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the maximum amount of income which may be withdrawn from the fund and must be determined by the authority, taking account of information provided by the pension fund holder.
- (7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).
- (8) In sub-paragraph (4), “money purchase benefits” has the same meaning as in the Pension Schemes Act 1993.
- (9) Subject to sub-paragraphs (10) and (12), a person is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under this scheme or increasing the amount of the reduction.
- (10) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension or benefit where a person, having made an election in favour of that increase of pension or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.
- (11) In sub-paragraph (10), “lump sum” means a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005.
- (12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant’s participation in a service user group.
- (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's participation in a service user group.

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.
- (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 each 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 calculation under this paragraph, and the first day of each reduction week thereafter, regardless of whether those earnings were actually received in that reduction week thereafter,
- (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).
- (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.

Average weekly earnings of self-employed earners: persons who are not pensioners

- 48.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as a self-employed earner his average weekly earnings must be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed a year.
- (2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61 and 62 (earnings, and net profit, of self-employed earners).

Average weekly income other than earnings: persons who are not pensioners

- 49.—(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period must not in any case exceed 52 weeks; and nothing in this paragraph authorises an authority to disregard any such income other than that specified in Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners).
- (2) The period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.
- (3) For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 54 (calculation of income other than earnings: persons who are not pensioners).

Calculation of weekly income of employed earners: persons who are not pensioners

- 50.—(1) For the purposes of paragraphs 47 (average weekly earnings of employed earners), 49 (average weekly income other than earnings) and 59 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made—
- (a) does not exceed a week, the weekly amount is to be the amount of that payment;
 - (b) exceeds a week, the weekly amount is to be determined—
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.
- (2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

Earnings of employed earners: persons who are not pensioners

- 51.—(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner of a person who is not a pensioner, means any remuneration or profit derived from that employment and includes—
- (a) any bonus or commission;
 - (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
 - (c) any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
 - (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
 - (e) any payment by way of a retainer;

- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - (i) travelling expenses incurred by the applicant between his home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- (g) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- (h) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- (i) any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);
- (j) any statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- (k) any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;
- (l) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001.

(2) Earnings does not include—

- (a) subject to sub-paragraph (3), any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any payment in respect of expenses arising out of the applicant's participation in a service user group.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(l).

Calculation of net earnings of employed earners: persons who are not pensioners

52.—(1) For the purposes of paragraph 47 (average weekly earnings of employed earners: persons who are not pensioners), the earnings of an applicant who is not a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to sub-paragraph (2), be his net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (6) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—

- (a) any amount deducted from those earnings by way of—
 - (i) income tax;
 - (ii) primary Class 1 contributions under the SSCBA;
- (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) one-half of the amount calculated in accordance with sub-paragraph (5) in respect of any qualifying contribution payable by the applicant; and
- (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

(4) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

- (5) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined—
- (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - (b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- (6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to H), 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 relief to which the applicant is entitled under section 35, 36 or 37 of the Income Tax Act 2007 as is 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; (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 or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
 - (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings

Earnings of self-employed earners: persons who are not pensioners

- 53.—(1) Subject to sub-paragraph (2), “earnings”, in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.
- (2) “Earnings” does not include any payment to which paragraph 31 or 32 of Schedule 8 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant’s care) nor does it include any sports award.
- (3) This paragraph applies to—
- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.
- (4) Where the applicant’s earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by—
- (a) the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus
 - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) as appropriate in the applicant’s case.

Calculation of income other than earnings: persons who are not pensioners

- 54.—(1) For the purposes of paragraph 49 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist

of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income: persons who are not pensioners).

- (2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule 8.
- (3) Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under sub-paragraph (1) must be the gross amount payable.
- (4) Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- (5) Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.
- (6) Sub-paragraphs (7) and (8) apply where—
 - (a) a relevant payment has been made to a person in an academic year; and
 - (b) that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

- (7) Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula—

$$(A - (B \times C)) / D$$

Where

A = 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 = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 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 = 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 (7) 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—

1st January and ending on 31st March;

1st April and ending on 30th June;

1st July and ending on 31st August; or

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

55.—(1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £16,000, be treated as income.

(2) Any payment received under an annuity is to be treated as income.

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

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

Notional income: persons who are not pensioners

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

(2) Except in the case of—

(a) a discretionary trust;

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

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

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

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

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

(g) child tax credit;

- (h) working tax credit, or
 - (i) any sum to which sub-paragraph (11) applies,
 - (j) 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(144);
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - (d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;
 - (e) in respect of a person's participation in the Mandatory Work Activity Scheme;
 - (f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
 - (g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- (5) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects, to the date on which the altered rate is to take effect.
- (6) Subject to sub-paragraph (7), where—
- (a) an applicant performs a service for another person; and
 - (b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area,

the authority must treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

- (7) Sub-paragraph (6) does not apply—
- (a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
 - (b) in a case where the service is performed in connection with—
 - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations 1996, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations; or
 - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or
 - (c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.
- (8) In sub-paragraph (7)(c) "work placement" means practical work experience which is not undertaken in expectation of payment.
- (9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.
- (10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 42(2) or 52(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and his net earnings are to be calculated by taking into account those earnings which he is treated as possessing, less—
- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
 - (c) one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.
- (11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.

CHAPTER 6 Income: further provisions applying to pensioners and persons who are not pensioners
Calculation of income on a weekly basis

- 57.—(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—
 - (c) if the applicant is a pensioner, under paragraph 71 (tariff income: pensioners);
 - a. (ii) if the applicant is a person who is not a pensioner, under paragraph 72 (tariff income: persons who are not pensioners); and
 - (d) 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

- 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.

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 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 Regulation 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) In sub-paragraphs (6) and (8)(a), "the first Monday in September" means the Monday which first occurs in the month of September in any year.
- (10) Relevant child care charges must be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.
- (11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where—
- (a) the applicant is a pensioner and the other member of the couple is aged not less than 80;
 - (b) the applicant is a pensioner and the other member of the couple is aged less than 80, and—
 - (i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and
 - (ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
 - (c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
 - (d) the applicant is not a pensioner, the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
 - (e) the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008;
 - (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 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 to which sub-paragraph (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 would be payable but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
 - (c) who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
 - (d) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- (15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (16) ("the relevant period") provided that—
- (a) in the week before the period of maternity leave, paternity leave or adoption leave began he was in remunerative work;
 - (b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and
 - (c) he is entitled to either statutory maternity pay under section 164 of the SSCBA, ordinary statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, additional statutory paternity pay by virtue of section 171ZEA or 171ZEB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave or adoption leave commences and ends on—

- (a) the date that leave ends;
- (b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- (c) if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends, whichever occurs first.

(17) In sub-paragraphs (15) and (16)—

- (a) “qualifying support” means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987; and
- (b) “child care element” of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph “applicant” does not include an applicant—

- (a) who has, or
- (b) who (jointly with his partner) has,
- (c) 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;
- (b) in the amount of any personal tax relief;
- (c) in the rates of social security contributions payable under the SSCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, the lower or upper limits applicable to Class 4 contributions under that Act or the amount specified in section 11(4) of that Act (small profits threshold in relation to Class 2 contributions);
- (d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the SSCBA;
- (e) in the maximum rate of child tax credit or working tax credit, for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

Calculation of net profit of self-employed earners

- 61.–(1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners: persons who are not pensioners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must be—
- (a) in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
 - (b) in the case of a self-employed earner who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less—
 - (i) an amount in respect of income tax and of social security 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 social security 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) social security contributions payable under the SSCBA,
 - (iii) 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 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.
- (2) But, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph must be calculated on a pro rata basis.
- (3) The amount to be deducted in respect of social security 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 earnings exception) 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—
- (i) child tax credit;
 - (ii) working tax credit;
 - (iii) 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—
 - a. (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - b. (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—
 - (a) 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
 - (b) 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⁽¹⁶⁹⁾ of—
- (a) £1 for each £250 in excess of £6,000 but not exceeding £16,000;
 - (b) £1 for any excess which is not a complete £250.

PART 11 Students

CHAPTER 1 General Interpretation

73.—(1) In this Part—

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

“access funds” means—

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

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

“contribution” means—

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

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

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

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

“full-time course of study” means a full-time course of study which—

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

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

“grant” (except in the definition of “access funds”) means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

“grant income” means—

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

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

“last day of the course” means—

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

“period of study” means—

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

- (b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, that year's start and ending with either—
 - (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- (c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

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

“qualifying course” means a qualifying course as defined for the purposes of Parts 2 and 4 of the 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 (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and includes, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Students' Allowances (Scotland) Regulations 2007.

- (2) For the purposes of the definition of “full-time student” in sub-paragraph (1), a person must be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course—
 - (a) subject to sub-paragraph (3), in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending—
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
 - (b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

- (3) For the purposes of paragraph (a) of sub-paragraph (2), the period referred to in that paragraph includes—
- (a) where a person has failed examinations or has failed successfully to complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
 - (b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.
- (4) In sub-paragraph (2), “modular course” means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

Treatment of students

74. This scheme has effect in relation to students who are not pensioners subject to the following provisions of this Part.

Students who are excluded from entitlement to a reduction under this scheme

- 75.—(1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7)—
- (a) full-time students, and
 - (b) students who are persons treated as not being in Great Britain.
- (2) Sub-paragraph (1)(b) does not apply to a student—
- (a) who is a person on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance;
 - (b) who is a lone parent;
 - (c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
 - (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
 - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
 - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
 - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
 - (i) who is—
 - a. (i) aged under 21 and whose course of study is not a course of higher education,
 - b. (ii) aged 21 and attained that age during a course of study which is not a course of higher education, or
 - c. (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 dependent;
 - (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, if his entitlement to income-based jobseeker's allowance or income-related employment and support allowance continued beyond that age, has attained the age of 65; or
 - (ii) the applicant's partner has actually claimed state pension credit.
- (2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that—
- (a) the applicant's award of—
 - (i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or
 - (ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit or the age of 65; and
 - (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.
- (3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.
- (4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.
- (5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—
- (a) the whole of the income and capital of the applicant is to be disregarded;
 - (b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.
- (6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated—
- (a) the applicant's council tax liability has increased; or
 - (b) a change in the deduction under paragraph 30 falls to be made.

CHAPTER 2 Extended reductions: persons who are not pensioners

Extended reductions: persons who are not pensioners

94. Paragraphs 95 to 104 apply in relation to applicants who are not pensioners.

Extended reductions: persons who are not pensioners

95. –(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is entitled to an extended reduction where—
- (a) the applicant or the applicant’s partner was entitled to a qualifying income-related benefit;
 - (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant’s partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more; and
 - (c) the applicant or the applicant’s partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker’s allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.
- (2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant’s partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker’s allowance during any period of less than five weeks in respect of which the applicant or the applicant’s partner was not entitled to any of those benefits because the applicant or the applicant’s partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.
- (3) For the purpose of this paragraph, where an applicant or an applicant’s partner is entitled to and in receipt of joint-claim jobseeker’s allowance they must be treated as being entitled to and in receipt of jobseeker’s allowance.
- (4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where—
- (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
 - (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
 - (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).
- (5) This paragraph does not apply where, on the day before an applicant’s entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987(remunerative work: housing costs) applied to that applicant.

Duration of extended reduction period: persons who are not pensioners

96. –(1) Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant’s partner, ceased to be entitled to a qualifying income-related benefit.
- (2) For the purpose of sub-paragraph (1), an applicant or an applicant’s partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.
- (3) The extended reduction period ends—
- (a) at the end of a period of eight 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.

PART 13 When entitlement begins and change of circumstances

Date on which entitlement begins

106.—(1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.

(2) Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

Date on which change of circumstances is to take effect

107.—(1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph and (in the case of applicants who are pensioners) paragraph 108 (change of circumstance where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme (“change of circumstances”), takes effect from the first day of the reduction week following the date on which the change actually occurs.

(2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.

(3) Subject to sub-paragraph (4), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

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

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

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

(7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

(8) Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances takes effect from the first day on which such income, had it been paid

in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

- (9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.
- (10) Sub-paragraph (11) applies if—
- (a) the applicant or his partner has attained the age of 65; and
 - (b) either—
 - (i) a non-dependent took up residence in the applicant's dwelling; or
 - (ii) there has been a change of circumstances in respect of a non-dependent 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-dependent 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.

Change of circumstances where state pension credit in payment

- 108.—(1) Sub-paragraphs (2) and (3) apply where—
- (a) the applicant is in receipt of state pension credit;
 - (b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and
 - (c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under this scheme.
- (2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in—
- (a) an increase in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or
 - (b) a decrease in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which—
 - (i) the local authority receives notification from the Secretary of State of the increase in the amount of state pension credit; or
 - (ii) state pension credit is increased, whichever is the later.
- (3) Where the change of circumstance ("the relevant change") is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces—
- (a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or

- (b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which—
- (i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or
 - (ii) state pension credit is reduced,
- whichever is the later.
- (4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction he receives under this scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.
- (5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which—
- (a) the authority receives notification from the Secretary of State of the award of state pension credit; or
 - (b) entitlement to state pension credit begins,
- whichever is the later.
- (6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is—
- (a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and
 - (b) a change of circumstances which is a relevant determination,
- each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in sub-paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).
- (7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.
- (8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 93 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.
- (9) In this paragraph—
- “official error” means an error made by—
- (a) the authority or a person—
 - (i) authorised to carry out any function of the authority relating to this scheme; or
 - (ii) providing services relating to this scheme directly or indirectly to the authority; or
 - (b) an officer of—
 - (i) the Department for Work and Pensions; or
 - (ii) the Commissioners of Inland Revenue,
 acting as such,
- but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;
- “relevant calculation or estimate” means the calculation or estimate made by the Secretary of State of the applicant’s or, as the case may be, the applicant’s partner’s income and capital for the purposes of the award of state pension credit;
- “relevant determination” means a change in the determination by the authority of the applicant’s income and capital using the relevant calculation or estimate, in accordance with paragraph 36(1).

PART 14 Applications (including duties to notify authority of change of circumstances)

Making an application

109.—(1) In the case of—

- (a) a couple or (subject to paragraph (b)) members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines; or
 - (b) in the case of members of a polygamous marriage to whom paragraph 37 (income and capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- (2) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and—
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- (3) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under this scheme and to receive and deal on his behalf with any sums payable to him.
- (4) Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- (5) Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4)—
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
 - (c) any such appointment must terminate when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- (6) Anything required by this scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- (7) The authority must—
- (a) inform any person making an application of the duty imposed by paragraph 115(1)(a);
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

Date on which an application is made

110.—(1) Subject to sub-paragraph (7), the date on which an application is made is—

- (a) in a case where—
 - (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and
 - (ii) the application is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,
the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;
- (b) in a case where—
 - (i) an applicant or his partner is a person in receipt of a guarantee credit,
 - (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
 - (iii) the application to the authority is received at the designated office within one month of the date of the change,
the date on which the change takes place;
- (c) in a case where—
 - (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
 - (ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,
the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;
- (d) in a case where—
 - (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
 - (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
 - (iii) the application to the authority is received at the designated office within one month of the date of the change,
the date on which the change takes place;
- (e) in a case where—
 - (i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and
 - (ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,
the date of the death or separation;
- (f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;
- (g) In any other case, the date on which the application is received at the designated office.

(2) For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under—

- (a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
- (b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),
have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 1 to this scheme (application by telephone)—

- (a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
 - (b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.
- (4) The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- (5) The conditions are that—
- (a) where paragraph 4(a) of Schedule 1 (incomplete form) applies, the authority receives at its designated office the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or
 - (b) where paragraph 4(b) of Schedule 1 (application not on approved form or further information requested by authority) applies—
 - (i) the approved form sent to the applicant is received at the designated office properly completed within one month of it having been sent to him; or, as the case may be,
 - (ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request,
 or, in either case, within such longer period as the authority may consider reasonable; or
 - (c) where the authority has requested further information, the authority receives at its designated office the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.
- (6) Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.
- (7) Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under this scheme for a period beginning not later than—
- (a) in the case of an application made by—
 - (i) a pensioner, or
 - (ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,
 the seventeenth reduction week following the date on which the application is made, or
 - (b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.
- (8) In this paragraph “appropriate DWP office” means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance.

Applications where an applicant’s Universal Credit ceases an award of Council Tax Reduction

- (9) Where a council tax reduction claim has stopped due to the level of the applicant’s Universal Credit and associated income, that claim will remain valid from the date that Council Tax Reduction has stopped for a period of six calendar months.

Joint claims for Housing Benefit and Council Tax Reduction.

- (10) Where an applicant is entitled to Housing Benefit and notifies the authority of a wish to claim Council Tax Reduction, the authority will assess Council Tax Reduction without the need for a separate claim form
- (11) The effective date of the applicant shall be the date the request is made to the authority (in any format).

Backdating 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).

Backdating 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 1 month before the date the application was made;
 - (c) the day 1 month before the date when the applicant requested that the application should include a past period.

Information and evidence

- 113.—(1) Subject to sub-paragraph (3), a person who makes an application for a reduction under this scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.
- (2) This sub-paragraph is satisfied in relation to a person if—
- (a) the application is accompanied by—
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
 - (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by—
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.
- (3) Sub-paragraph (2) does not apply—
- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
 - (b) to a person who—
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.

- (4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under this scheme has been awarded, must furnish such certificates, documents, information and

evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

- (5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.
- (6) Where a request is made under sub-paragraph (4), the authority must—
 - (i) 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
 - (ii) 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 Caxton Foundation” insert “, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Grenfell Tower charitable funds, the Grenfell Tower Residents’ Discretionary Fund, the Windrush Compensation Scheme or the London Bombings Relief Charitable Fund;
 - (aa) a Grenfell Tower support payment
 - (b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 30(9)(b) or (c) (payment made under certain trusts etc.) or paragraph 2(b) or (c) of Schedule 4 (payments made under certain trusts etc.) other than a payment under the Independent Living Fund (2006).
- (8) Where an applicant or a person to whom a reduction under this scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person 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), (6) and (7), 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-dependent 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-dependent whose income and capital are treated as belonging to the applicant in accordance with paragraph 34 (circumstances in which income of a non-dependent 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-dependent 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—

- in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
- 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—

- informing the person affected of the duty imposed by paragraph 115(1)(b);
- explaining the possible consequences (including prosecution) of failing to comply with that duty; and
- 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—

- the applicant;
- 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,
- 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.

PART 17

Award or payment of reduction

Time and manner of granting reduction under this scheme

119.—(1) Subject to paragraph 122 (payments on death), where 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 the financial year, the authority must discharge his entitlement—

(a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or

(b) where—

- (i) such a reduction is not possible; or
- (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under this scheme; or
- (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

(2) The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of sub-paragraph (1).

(3) In a case to which sub-paragraph (1)(b) refers—

(a) if the amount of the council tax for which he remains liable in respect of the financial year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under this scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction—

- (i) must be paid to that person if he so requires; or
- (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;

(b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under this scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter

(c) in any other case, the reduction under this scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

- (4) For the purposes of this paragraph “instalment” means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

Person to whom reduction is to be paid

120.—(1) Subject to paragraph 122 (payment on death) and sub-paragraph (2), any payment of the amount of a reduction under paragraph 116(1)(b) must be made to the person who is entitled to the reduction.

- (2) 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 107(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 107(5), the amount of the reduction may be paid to that person.

Shortfall in reduction

121. Where, on the revision of a decision allowing a reduction under this scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either—

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

Payment on the death of the person entitled

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

- (2) Where an Act of Parliament or subordinate legislation repeals and re-enacts, with or without modification, a previous enactment (including a previous regulation) then, unless the contrary intention appears.

Transitional provisions for restrictions on amounts for children and young persons (pensioners)

123 (1) This regulation 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 regulation applies, the amendments made by regulation 7 do 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 amendments made by regulation 7 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 regulation—

- (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

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. - (1) Where an application made in writing is defective because—
 - (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
 - (b) it was made in writing but not on the form 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:

PART 1 Persons who are pensioners Paragraph 25

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) is;

(a) on or after 1st April 2021, the amount specified in column (2) of Table 1 below in respect of each person or couple referred to in column (1) of that Table.

(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;

Transitional provisions for restrictions on amounts for children and young persons

(1) This regulation 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 regulation applies, the amendments made by regulation 7 do 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 amendments made by regulation 7 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 regulation—

- (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.

Table 1

<i>Column (1) Person, couple or polygamous marriage</i>	<i>Column (2) Amount</i>
(1) Single applicant or lone parent who has attained pensionable age before 1 st April 2021	£197.10
(2) Couple one or both members before 1 st April 2021	£294.90
(3) If the applicant is a member of a polygamous marriage and one or more members of the marriage have attained pensionable age before 1 st April 2021 (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a member of the same household as the applicant.	(a) 294.90; (b) £97.80
(4) Single applicant or lone parent who has attained pensionable age on or after 1st April 2021	£182.60

(5) Couple where both members have attained pensionable age on or after 1st April 2021	£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 1st April 2021—	£278.70
(a) for the applicant and the other party to the marriage;	£96.10
(b) for each additional spouse who is a member of the same household as the applicant	

2. Child or young person amounts

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

Column (1)	Column (2)
Child or young Person	Amount
Person in respect of the period— (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday; (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.	(a) £70.80; (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

3. Family premium

The amount for the purposes of paragraph 6(1)(c) of Schedule 1 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 2015 and ending with 30th April 2016;
 (b) is nil in respect of a reduction week which begins after 1st May 2016.

Transitional provision

(1) The amendment in regulation Part 2-3 (Family Premium) of this policy (or 2(4)(b) for the purposes of SI2041/2015) 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 an 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 an authority's scheme under section 13A (2) of the Act.

(3) For the purposes of this regulation—

- (a) “the Act” means the Local Government Finance Act 1992;
 (b) “child”, “family”, “partner”, “polygamous marriage” and “young person” have the

meanings given by regulation 2 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

PART 3 - Premiums

4. The premiums specified in Part 4 shall, for the purposes of paragraph 24(1)(d), be 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 shall be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the 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 shall 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; 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;
 - (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 shall 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 shall nevertheless 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 shall 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
(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 shall 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 there under;
(c) 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 (2)(b)—
(a) no account shall 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) references to a person being in receipt of a carer's allowance or as having an award of universal credit which includes the carer element shall 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;
 - (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 shall 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 shall 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 of this Schedule, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Person in receipt of benefit

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

PART 4 - Amounts of premium specified in Part 3

<i>Provision</i>	<i>Amount</i>
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	(a) £69.40; (b)

<p>(b) where the applicant satisfies the condition in paragraph 6(2)(b)–</p> <p>(a) in a case where there is someone in receipt of a carer’s allowance or who has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013, or if he or any partner satisfies that condition only by virtue of paragraph 6(7);</p> <p>(b) 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>(i) £69.40;</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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Applicable amounts: persons who are not pensioners Paragraph 26**PART 1 Personal allowances****Personal allowances**

1. The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes of paragraphs 25(1)(a) and 26(1)(a) and (b)–

<i>Person or couple</i>	<i>Amount</i>
(1) A single applicant who–	(1)
(a) is entitled to main phase employment and support allowance;	(a) £77.00
(b) is aged not less than 25;	(b) £77.00
(c) is aged not less than 18 but less than 25.	(c) £61.05
(2) Lone parent.	(2) £77.00
(3) Couple.	(3) £121.05
(4) If the applicant is a member of a polygamous marriage	
(a) for the applicant and the other party to the marriage;	(a) £121.05
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £44.05

2. For the purposes of paragraph 1 of this Schedule an applicant is entitled to main phase employment and support allowance if–

- (a) paragraph 18 of this Schedule 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) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of paragraphs 25(1)(b) and 26(1)(c) of this scheme:

Column (1)	Column (2)
Child or Young person	Amount
Person in respect of the period–	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£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.	£70.80

- (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. Family premium**

The amount for the purposes of paragraph 6(1)(c) of Schedule 1 in respect of a family of which at least one member is a child or young person is £17.85.

PART 3 - Premiums

5. Except as provided in paragraph 6 of this Schedule, the premiums specified in Part 4 of this Schedule shall, for the purposes of paragraphs 25(1)(d) and 26(1)(e) of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 of this Schedule in respect of that premium.

6. Subject to paragraph 7 of this Schedule, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.

7. The following premiums, namely—

- (a) a severe disability premium to which paragraph 11 of this Schedule applies;
- (b) an enhanced disability premium to which paragraph 12 of this Schedule applies;
- (c) a disabled child premium to which paragraph 13 of this Schedule applies; and
- (d) a carer premium to which paragraph 14 of this Schedule 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 shall be treated as being in receipt of any benefit for—

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 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 of this Schedule, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the 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 of this Schedule 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 of this Schedule, the additional condition referred to in paragraph 9 of this Schedule 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, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or
 - (ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act and the applicant has since remained continuously entitled

to council tax benefit 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 57(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 57(11)(i) (treatment of child care charges); or

(v) is provided by the Secretary of State with an invalid carriage or other vehicle under section 5(2) of the National Health Service Act 1977 (other services) or, in Scotland, under section 46 of the National Health Service (Scotland) Act 1978 (provision of services by Scottish Ministers) or receives payments by way of grant from the Secretary of State under paragraph 2 of Schedule 2 to the Act of 1977 (additional provisions as to vehicles) or, in Scotland, by Scottish Ministers under section 46 of the Act of 1978; or

(vi) 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)(vi), a person who has ceased to be registered as blind on regaining his eyesight shall nevertheless 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 shall, on again becoming so incapable of work, immediately thereafter 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 shall 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 shall 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), shall in each case 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 shall 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; 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 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 payable at either rate under Part 4 of the Welfare Reform Act 2012; 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 or has an award of universal credit which includes the carer element 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 or has such an award of universal credit 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)(v) and (2), that partner shall 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 shall 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

(b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(v) and (2).

(5) For the purposes of sub-paragraph (2)(b) a person shall 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, 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 shall 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 or an award of universal credit which include the carer element shall 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 57(11)(e) of this scheme (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 57(11)(e) 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 of this Schedule; 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 shall 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) shall be—
- (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 shall 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;
 - (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 of this Schedule, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

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

PART 4 Amounts of Premiums Specified in Part 3

<i>Premium</i>	<i>Amount</i>
(1) Disability Premium—	(1)
(a) where the applicant satisfies the condition in paragraph 9(a);	(a) £36.20
(b) where the applicant satisfies the condition in paragraph 9(b).	(b) £51.60
(2) Severe Disability Premium—	(2)
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	(a) £69.40
(b) where the applicant satisfies the condition in paragraph 11(2)(b)—	
(i) in a case where there is someone in receipt of a carer's allowance or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013; and if he or any partner satisfies that condition only by virtue of paragraph 11(5);	(b)(i) £69.40

(ii) (ii) in a case where there is no-one in receipt of such an allowance or such an award of universal credit	(b)(ii) £138.80
(3) Disabled Child Premium.	(3) £68.04 in respect of each child or young person in respect of whom the condition specified in paragraph 13 of Part 3 of this Schedule is satisfied.
(4) Carer Premium.	(4) £38.85 in respect of each person who satisfies the condition specified in paragraph 14.
(5) Enhanced disability premium	(5)
(a) £27.44 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied;	
(b) £17.75 in respect of each person who is neither—	
(i) a child or young person; nor	
(ii) a member of a couple or a polygamous marriage,	
in respect of whom the conditions specified in paragraph 12 are satisfied;	
(c) £25.35 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage.	

PART 5 - The components

18. Subject to paragraph 20 of this Schedule the applicant is entitled to one, but not both, of the components in paragraph 21 or 22 of this Schedule if—

- (a) the applicant or the applicant's partner has made a claim for employment and support allowance;
- (b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work or limited capability for work-related activity; and
- (c) either—
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work related activity component arises does not apply) applies.

19. Subject to paragraph 20, the applicant is entitled to one, but not both, of the components in paragraphs 21 and 22 if the applicant or his partner is entitled to a converted employment and support allowance.

20.—(1) The applicant has no entitlement under paragraph 21 or 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10 of this Schedule.

(2) Where the applicant and the applicant's partner each satisfies paragraph 21 or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

The work-related activity component

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

The support component

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

PART 6 - Amount of Components

23. The amount of the work-related activity component is £30.60.

24. The amount of the support component is. £40.60

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 of this Schedule 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 of this Schedule;
- (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) of this Schedule;
 - (ii) sub-paragraph (3)(b) of this paragraph; or
 - (iii) paragraph 27(3)(b) of this Schedule;
- (b) within 104 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;
- (d) if the period between the events mentioned in paragraphs (a) and (b) is more than 12 weeks, the intervening period is one to which regulation 145(2) (linking period where applicant is a work or training beneficiary) of the Employment and Support Allowance Regulations 2008 applies in respect of the relevant person; and
- (e) 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 of this Schedule;
- (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) either—

(i) 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; or

(ii) the period between the events mentioned in paragraphs (a) and (b) is one to which

regulation 145(2) of the Employment and Support Allowance Regulations 2008 applies in respect of 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 of this Schedule), 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 of this Schedule;
- (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 of this Schedule, 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 25(1)(a) to (e) or paragraph 26(1)(a) to (f) of this scheme.

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 shall 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 shall 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 3 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 30 is determined in accordance with the following Table and in this Table—

- (a) “second adult” means any person or persons residing with the applicant to whom paragraph 15(2) of this scheme applies; and
- (b) “persons to whom paragraph 71(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 the table below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

(1) <i>Second adult</i>	(2) <i>Alternative maximum council tax support</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, or are under the age of 25 and in receipt of Universal Credit where the award is calculated on the basis that the second adult does not have any earned income (as given in regulation 52 of the Universal Credit Regulations 2013)	(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;
© where the dwelling would be wholly occupied by one or more persons to whom paragraph 71(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, there shall be disregarded from that income—

- (a) any attendance allowance, any disability living allowance under section 71 of the SSCBA, or any personal independence payment under Part 4 of the Welfare Reform Act 2012;
- (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 53 (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 53, 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 shall 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 4 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 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 shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £20 of the aggregated amount.

(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 to 76 of that Act;
 - (iv) disability living allowance under section 71 to 76 of that Act;
 - (v) personal independence payment under Part 4 of the Welfare Reform Act 2012;
 - (vi) 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;
 - (vii) 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
 - (viii) 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 Regulations 2013; (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work-related activity 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 34 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 26 (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 shall not apply to the other member of that couple (“B”) except to the extent provided in sub-paragraph (4).

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

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

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance;

(d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

- (6) “Exempt work” means work of the kind described in—
- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or regulation 39 (1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be); or
 - (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,
- and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.
- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).
7. Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 6 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full amount disregarded there under.
8. Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule—
- (a) £5 shall be disregarded if an applicant who has no partner has earnings;
 - (b) £10 shall be disregarded if an applicant who has a partner has earnings.
9. Any earnings, other than earnings referred to in paragraph 39(8)(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 shall 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
 - (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 56(1)(c); and
 - (c) £17.10.
- (4) The provisions of paragraph 10 of this scheme shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph was a reference to 30 hours.
11. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

SCHEDULE 5 Amounts to be disregarded in the calculation of income other than earnings: pensioners

Paragraph 40

1.(1) 100% of any of the following—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 2 or 3);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment 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;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (g) a pension paid by a government to victims of National Socialist persecution.

(2) The amounts to be disregarded under paragraph 1 include any amount included in a pension to which this paragraph relates in respect of the applicant's need for constant attendance or the applicant's exceptionally severe disablement

2. 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.

3. 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.

4. 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.

5 Not used

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 1 or 2 of the Education Act 1962 or 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 under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made there under, 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 subparagraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount shall be equal to—

(a) the weekly amount of the payments; or

(b)) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in subparagraph (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 shall 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 6 Sums disregarded in the calculation of earnings: persons who are not pensioners

Paragraph 53

1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—
 - (a) where—
 - (i) the employment has been terminated because of retirement; and
 - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions, any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
 - (b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—
 - (i) any payment of the nature described in—
 - (aa) paragraph 51(1)(e) (retainer), or
 - (bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
 - (ii) any award, sum or payment of the nature described in—
 - (aa) paragraph 51(1)(g) or (i) (compensation etc. relating to employment), or
 - (bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals), including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
 - (c) where before the first day of entitlement to a reduction under this scheme—
 - (i) the employment has not been terminated, but
 - (ii) the applicant is not engaged in remunerative work, any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc.).
2. In the case of an applicant who, before the first day of entitlement to a reduction under this scheme—
 - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
 - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated, any earnings paid or due to be paid in respect of that employment except—
 - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
 - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc.).
3. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.
- 4.—(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component under Schedule 3 (applicable amounts: persons who are not pensioners).

- (3) This paragraph applies where—
- (a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium under Schedule 3; and
 - (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
5. In a case where the applicant is a lone parent, £25.
- 6.—(1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.
- (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.
7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment—
- (a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;
 - (b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.
8. In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.
- 9.—(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as—
- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
 - (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
 - (c) an auxiliary coastguard in respect of coast rescue activities;
 - (d) a person engaged part-time in the manning or launching of a life boat;
 - (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;
- but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the applicant's partner is engaged in employment—
- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
 - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.
10. Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.
11. In a case to which none of the paragraphs 4 to 10 applies, £5.

12.–(1) Where—

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
 - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
 - (c) paragraph 14 does not apply,
- the amount specified in sub-paragraph (7) (“the specified amount”).

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members of applicant’s family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple (“A”) it does not apply to the other member of that couple (“B”) except to the extent provided in sub-paragraph (4).

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

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

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

(6) “Exempt work” means work of the kind described in—

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or (as the case may be)
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13. Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 8 had the applicant’s income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

14. Where an applicant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance, his earnings.

15. Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

16. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17. Any earnings of a child or young person.

18.–(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £17.10.

- (2) The conditions of this sub-paragraph are that—
- (a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or
 - (b) the applicant—
 - (i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) is a member of a couple and—
 - (aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and
 - (bb) his applicable amount includes a family premium under paragraph 4 of Schedule 3; or
 - (iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or
 - (iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and—
 - (aa) the applicant’s applicable amount includes a disability premium under paragraph 9, the work-related activity component under paragraph 21 or the support component under paragraph 22 of Schedule 3 respectively;
 - (bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in paragraph (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or
 - (c) the applicant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

- (3) The following are the amounts referred to in sub-paragraph (1)—
- (a) (a) the amount calculated as disregardable from the applicant’s earnings under paragraphs 4 to 12;
 - (b) (b) the amount of child care charges calculated as deductible under paragraph 57(1)(c); and
 - (c) (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 7 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.

20. Subject to paragraph 40, any of the following, namely—

- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 13 or 14);
- (b) a war widow's pension or war widower's pension;

- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;
- (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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-dependent.
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(200) (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(201) 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(202);
- (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(203) 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 dependent 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 dependent 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(204).

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.

67. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:

(a) an applicant's entitlement to a reduction under the scheme; or

(b) the amount of any reduction to which the applicant is entitled.

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

SCHEDULE 8 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 shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. 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 reengaged, 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 shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date.

(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 shall apply 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 shall apply 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 shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home 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. – Any payment made under or by–

- (a) the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, “the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Grenfell Tower charitable funds, the Grenfell Tower Residents’ Discretionary Fund, the Windrush Compensation Scheme or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as “the Trusts”); or
 - (aa) a Grenfell Tower support payment
 - (b) the Independent Living Fund (2006)
 - (c) Any historical child abuse payment
 - (d) 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

16B Any payment made by the Child Migrants Trust (registered charity number 1171479) under the scheme for former British child migrants;

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 of this Schedule 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) income support;
- (e) income-based jobseeker's allowance;
- (f) state pension credit;
- (g) housing benefit;
- (h) council tax benefit;
- (i) child tax credit;
- (j) 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);
- (k) 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;
- (l) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
- (m) working tax credit;
- (n) income-related employment and support allowance,
- (o) social fund payments under Part 8 of the SSCBA,
- (p) universal credit,
- (q) maternity allowance under section 35 of the SSCBA (state maternity allowance for employed or self-employed earner);
- (r) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;
- (s) funeral expense assistance given in accordance with section 34 of that Act;
- (t) any Scottish child payment assistance given in accordance with section 79 of that Act;
- (u) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;
- (v) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018; or
- (w) 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 in 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 benefit under the Council Tax Benefit Regulations 2006 or the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006.

(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" has the meaning in paragraph 21(3)

(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,

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.

(f) regulations 10A to 10C of the Universal Credit (Transitional Provisions) Regulations 2014

(3) Any disregard which applies under sub-paragraph (1) (1A) or (2) shall have effect until the award comes to an end.

(4) In this paragraph—

“the award”, except in sub-paragraph (2), means—

(a) the award of benefit under the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 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—

(a) in the case of an existing award of benefit under these Regulations or the Council Tax Benefit Regulations 2006, 6th October 2003; and

(b) in any other case, the date on which the claim for benefit under these Regulations or the Council Tax Benefit Regulations 2006 was made;

“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 shall be disregarded under this paragraph.

27.—(1) Subject to sub-paragraph (2), where an applicant falls within class C (alternative maximum council tax reduction: pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class B and class C.

28. Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum;

(b) the amount of that lump sum, but only for so long as that person does not change that election in favour of an increase of pension or benefit.

29. - Any payments made by virtue of regulations made under—

(a) section 57 of the Health and Social Care Act 2001 (direct payments);

(b) section 12B of the Social Work (Scotland) Act 1968 (direct payments in respect of community care services);

- (c) sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);
 - (d) Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972 (general social welfare);
 - (e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002 (direct payments);
- or
- (f) by virtue of regulations made under section 50 or 52 of the Social Services and Well-being (Wales) Act 2014 (direct payments)

29A.

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

29B. A payment made under the Age-Related payments regulations 2013.

29C Any payments to an applicant made under section 49 of the Children and Families Act 2014 (a) (personal budgets and direct payments)

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 of this Schedule 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.

34. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:

- (a)an applicant’s entitlement to a reduction under the scheme; or
- (b)the amount of any reduction to which the applicant is entitled.

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

SCHEDULE 9 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—

1. was formerly in the applicant’s care, and
2. is aged 18 or over, and
3. 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—

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;

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

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—

the person who is suffering from haemophilia or who is a qualifying person;

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

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—

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.

(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—

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

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—

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

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(209) or section 66 of the Housing (Scotland) Act 1988(210) (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
to purchase premises intended for occupation as his home; or
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—
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);

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);

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(211) 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(212) 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—
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;
which can only be disposed of by order or direction of any such court; or
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—
an award of damages for a personal injury to that person; or
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—
award of damages for a personal injury to that person; or
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—

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;

) 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

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—

regulations made under section 518 of the Education Act 1996;

regulations made under section 49 of the Education (Scotland) Act 1980; or

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—

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,

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 diagnosed person;

the diagnosed person’s partner or the person who was the diagnosed person’s partner at the date of the diagnosed person’s death;

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

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 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;

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;

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—

the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

a) 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

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 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;

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

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—

being the diagnosed person's partner;

being a member of a diagnosed person's family;

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—

was a slave labourer or a forced labourer;

had suffered property loss or had suffered personal injury; or

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).

65. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a) an applicant’s entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
“The Energy Rebate Scheme 2022” means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: Council Tax Base and Collection Rate 2023/24 and Delegation of the Business Rate Estimate

Report of: Cabinet Member for Finance and Reform, Councillor Rowan Ree

Report author: Jamie Mullins, Head of Revenues

Responsible Director: Sukvinder Kalsi – Director of Finance

SUMMARY

This report is a statutory requirement that sets the council tax base for the purposes of the 2023/24 revenue budget.

The proposed 2023/24 council tax base is 83,936. This is an increase of 1,673 on the figure agreed for 2022/23 and will result in an increased income, based on the 2022/23 Band D council tax charge, of £1,391,869 for Hammersmith & Fulham.

The report also delegates authority to the Director of Finance to determine the business rates tax base for 2023/24.

RECOMMENDATIONS

1. That Cabinet agrees to refer this report to full council and recommend approval by full council for the financial year 2023/24 of:
 - a. - The estimated numbers of properties for each Valuation Band as set out in this report.
 - b. - An estimated collection rate of 97.0%.
 - c. - The Council Tax Base of 83,936 Band “D” equivalent properties.
 - d. - The delegation of authority to the Director of Finance to determine the business rates tax base for 2023/24.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Keeping the Council Tax low and providing council tax support help residents to maintain affordable living costs.
Creating a compassionate council	We continue to lead on Ethical Debt collection by working closely with vulnerable residents and not employing Enforcement Agents for the collection of council tax.
Being ruthlessly financially efficient	The recommendations in this statutory report will ensure that the Council continues to charge the premium on long term empty properties and not grant discounts or exemptions to second homes or unoccupied and unfurnished properties. These generate additional income and contributes to one of the lowest Council Tax rates in the country.
Taking pride in H&F	The Council's policy on not granting discounts or exemptions on empty or second properties encourages bringing these properties back in to use and creating safer and cleaner communities for residents and contributing to the prevention of homelessness.

Financial Impact

Council Tax Base

The Local Government Finance Act 1992 requires that the council set the tax base by 31 January each year. It is used within the overall council tax and budget setting process, due to be reported to Budget Council on 23 February 2023.

The proposed Council Tax Base for 2023/24 of 83,936 is 1,673 Band D equivalents, higher than the 82,263 agreed for 2022/23. The increase in the tax base will generate additional income, using 2022/23 council tax charges, of £1,391,869 for Hammersmith & Fulham and £661,822 for the Greater London Authority.

The main reasons for the tax base change are:

	Band D Equivalents
An increase in the tax-base due to new non-exempt properties	11
An allowance for new properties added in-year	275
A forecast reduction in the number of single persons discounts	143
Reduction in the number of local council tax support scheme discounts	682
Reduction in student and other discounts	233
Increase in the 2022/23 tax base	1,673

Local authority finances have faced unprecedented financial risk and uncertainty due to the impact of the Covid-19 pandemic. The 2022/23 tax base forecast, using trend data, modelled that the economic slowdown would increase the number of Band D equivalent discounts offered under the local council tax support scheme by 885. The actual increase has been 214 and this has enabled an improvement in the 2023/24 tax base of 682 Band D equivalents.

Due to concerns over the impact of Covid-19 the budgeted collection rate reduced from 97.5% in 2020/21 to 97% in 2021/22. A 97% collection rate will continue to be modelled for 2023/24.

Prior Year Collection Fund Adjustments

The Local Government and Finance Act 1988 requires that all council tax and non-domestic rates income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept, the business rates retention scheme and a contribution towards the Council's own General Fund. Subsequent budget adjustments are made should the actual sum paid into the Collection Fund be more, or less, than the originally approved tax base.

For 2022/23 the net impact of expected prior year adjustments is an estimated nil impact. This will continue to be reviewed and will be finalised as part of the 2023/24 Revenue Budget and Council Tax Setting Report considered by Budget Council.

Andre Mark, Head of Finance, Strategic Planning and Investment, Email: andre.mark@lbhf.gov.uk

Verified by Sukvinder Kalsi, Director of Finance, 23rd November 2022

Legal Implications

The Council has a statutory duty to set the Council Tax each year and this report is part of this process.

The relevant regulations and legislation together with the legal basis for agreeing the recommendations relating to the council tax base are found under section 31B of the Local Government Finance Act 1992 which imposes a duty on a billing authority to calculate its council tax by applying a formula laid down in that section. This relies on calculating a figure for the council tax base for the year. The Local Authority

(Calculation of Council Tax Base) (England) Regulations 2012 require a billing authority to use a given formula to calculate the council tax base. The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, as amended in 2012 and Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 address the position of second and unoccupied homes.

Jade Monroe, Chief Solicitor, Social Care, Email: jade.monroe@lbhf.gov.uk, 22nd November 2022

Background Papers Used in Preparing This Report

DLHUC Return CTB1 Jamie Mullins x1650
(October 2022)

DETAILED ANALYSIS

Discounts

Second Homes

1. There are 2,688 second homes in the borough. The Council does not offer a discount on second homes which adds 3,130 Band "D" equivalents to the 2023/24 tax base.
2. Based upon 2022/23 council tax levels, this generates income to the Council of £2.44m. This income is allowed for within the Council's medium-term financial strategy. Our preceptor, the Greater London Authority (GLA), also benefits from the reduction in the discount and the increase in income to the Council.
3. There are 749 empty (unoccupied and unfurnished) properties in the borough. The Council does not offer a discount for empty properties which adds an additional 865 Band "D" equivalents to the 2023/24 tax base. Based upon 2022/23 council tax levels, this generates income to the Council of £673,316. This income also directly benefits the GLA.

Council Tax Support

4. Under council tax support, Hammersmith & Fulham and the GLA absorb the full cost of the scheme. This mirrors the previous council tax benefit arrangements. For 2023/24, the Council has provided council tax support discounts that equate to 10,143 Band 'D' equivalents. Based on 2022/23 Council Tax levels, this represents financial support of £11.91m (including the GLA precept).
5. The tax base regulations require the cost of the scheme to be treated as a discount and deducted from the Council's tax base calculation.

Valuation Band Properties

6. The latest information on the number of properties within each valuation band is contained within a return (CTB1), which the Council provided to the DLUHC on 17 October 2022. This return reflected the actual number of properties shown in the Valuation List as of 12 September 2022, and the Council's records as of 3 October 2022.
7. A detailed analysis of the properties in each valuation band is summarised below. There are 93,165 dwellings on the list with 29,505 properties estimated to receive a single person's discount. The total Band "D" equivalent is approximately 97136.9 properties.

Council Tax Base Return Summary (CTB1)

Band	Band Size	Total Dwellings	Total after Discounts, Premiums, Exemptions and Disabled Relief	Ratio	Band "D" Equivalent
A	Values not exceeding £40,000	4,111	3064.05	6/9	2042.7
B	Values exceeding £40,000 but not exceeding £52,000	6,650	4951.28	7/9	3851.0
C	Values exceeding £52,000 but not exceeding £68,000	14,411	12445.2	8/9	11062.4
D	Values exceeding £68,000 but not exceeding £88,000	25,854	23068.40	9/9	23067.8
E	Values exceeding £88,000 but not exceeding £120,000	16,896	15398.5	11/9	18820.4
F	Values exceeding £120,000 but not exceeding £160,000	10,750	9953.03	13/9	14376.6
G	Values exceeding £160,000 but not exceeding £320,000	11,682	11005.74	15/9	18342.9
H	Values exceeding £320,000	2,811	2786.25	18/9	5572.5
	Total	93,165	82672.46		97136.9

Adjustments to the Valuation List

8. The above table shows the valuation band position on 12 September 2022, but the Council is also required to consider any likely changes that may arise for the financial year 2023/24. Therefore, the following adjustments need to be considered:

New Properties

9. There are likely to be a number of new properties, conversions etc added to the valuation list at some point during the year. There are approximately 304 units currently under construction on various sites in the borough that will be added to the tax base sometime during 2023/24. It is estimated after allowing for different completion dates that this will equate to an additional 420 Band 'D' equivalents.

Single Person Discounts (SPD)

10. Not applicable as no SPD review done this year.

Student Exemptions

11. Dwellings wholly occupied by students are exempt from council tax. The projected council tax base needs to be adjusted to allow for students that have yet to prove their exemption for the new academic year. It is estimated that an adjustment of 817 Band D equivalents is required.

Council Tax Support

12. The cost of the scheme equates to 10,143 Band “D” equivalents, based on 2022/23 council tax levels, which are deducted from the tax base for 2023/24. This is less than the deduction of 10,825 Band D equivalents made in 2022/23. This is due to a decrease in the number of claimants applying for a discount since the Covid-19 pandemic.

Care Leavers

13. For 2022/23, the Council has provided discounts for care leavers up to the age of 25. This equates to 65 Band D equivalents based on 2022/23 council tax levels. The cost of this discount is fully funded by the Council and needs to be deducted from the council’s tax base calculation.
14. The Council is required to set its tax base on the total of the relevant amounts for the year for each of the valuation bands shown or is likely to be shown for any day in the year in the authority’s valuation list.
15. Based on the CTB1 return to the DLUHC, and the proposed adjustments, the Council is requested to approve the estimated numbers of properties for each valuation band as set out in the following table:

2023/24 Council Tax Base Calculation

Band	Band "D" Equivalent Actual September	Adjustments for New Properties	Adjustments for Student Exemptions	SPD	Adjustments for Council Tax Support Scheme	Care Leaver	Revised Band "D" Equivalents
A	2042.7	0	-13	0	-707	-5	1317.7
B	3851.0	0	-40	0	-1292	-15	2504
C	11062.4	0	-120	0	-2574	-29	8339.4
D	23067.8	45	-177	0	-3103	-11	19821.8
E	18820.4	94	-214	0	-1577	-5	17118.4
F	14376.6	166	-173	0	-574	0	13795.6
G	18342.9	93	-58	0	-307	0	18070.9
H	5572.5	22	-22	0	-9	0	5563.5
Total	97136.9	420	-817	0	-10143	-65	86532

Collection Rate

16. The Council is also required to estimate its collection rate for 2023/24 at the same time as arriving at the estimated number of properties within the tax base. In arriving at a percentage collection rate for 2023/24, the Council considers the likely sum to be collected, previous collection experience and any other relevant factors.
17. The actual sum to be collected from local council taxpayers cannot be finally determined until the preceptor's requirements are known and the Council has approved its budget. The Council therefore must make an estimate of the sums to be collected locally making estimated allowance for sums from council tax support and write-offs/non-collection.
18. The actual collection rate for 2022/23 achieved to the end of October 2021 is 58.46%, comprising cash collection of £62.3m and Council Tax Support of £12.4m. It is estimated that a further £40.4m (38.04%) will need to be collected by 31 March 2023 and £0.50m (0.5%) thereafter.
19. Collection performance has been calculated in order to comply with DLUHC performance indicator calculations. Latest calculations for 2022/23 show that the current collection rate is below the same level as 2021/22. However, full recovery action will be reinstated in time for 2023/24 and it is therefore suggested that the collection rate for 2022/23 is set at 97%.

The Tax Base

20. Under Section 31(B) of the Local Government Finance Act 1992 and the Regulations, the Council's tax base is calculated by multiplying the estimated number of Band "D" equivalents by the estimated collection rate.

21. Based on the number of Band “D” equivalents in the table in paragraph 9. Above and the estimated collection rate in paragraph 19 above, the calculation is as follows:

$$(\text{Band D equivalents}) \times (\text{Collection Rate}) = (\text{Tax Base})$$

$$86,532 \times 97.0\% = 83,936$$

Business Rates Tax base

22. The Local Government Finance Act 2012 made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and passing this information to precepting authorities by 31 January. The Government continues to set the tax rate (known as the non-domestic multiplier).
23. The tax base is based on data from the Valuation Office with local allowance for the appropriate level of business rates appeals, the provision for bad debts, any discretionary reliefs and any forecast growth. This information is pulled together into a government return (NNDR1). The detailed guidance on completing the NNDR1 will be issued just before Christmas.
24. The recent Government Announcement in the Autumn Statement confirmed that a Revaluation will come into effect from the 1st April 2023. The Multiplier will also be frozen at the same level and transitional relief will be removed for properties which have a reduction in Rateable Value so that businesses will benefit from the reduction immediately.
25. Support for eligible retail, hospitality and leisure Businesses is also being extended and increased from 50% to 75% relief up to £110,000 in 2023-24.
26. The initial Draft Rating List shows a potential reduction in the overall Rateable Value of £4.5m with effect from the 1/4/2023.

Reasons For Decisions

27. Under Section 11A of the Local Government Finance Act 1992, Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 and Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 the Council reduced discounts for both Second Homes and Unoccupied and Unfurnished dwellings to 0% with effect from 2013/14, this remains in place.
28. Under Section 11B of the Local Government Finance Act 2012 the Council introduced the Council Tax Empty Homes Premium with effect from 1 April 2014, this remains in place. This increased the charge on dwellings that have

been unoccupied and substantially unfurnished by an additional 50% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable. The premium increased to 100% from 01/04/2019 and from the 01/04/2020, the premium increased to 200% for dwellings which have remained unoccupied and substantially unfurnished for over five years.

Equality Implications

29. There are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these proposals.

Risk Management Implications

30. The report considers the implications required by the Council to meet its obligations under the Local Government Finance Act 2012 which made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and passing this information to precepting authorities by 31 January. The Council is also required to estimate its Collection Rate for 2023/24 at the same time as arriving at the estimated number of properties within the Tax Base. The Council is required Under Section 33(1) of the Local Government Finance Act 1992 and The Local Authorities (Calculations of Council Tax Base) (England) Regulations 2012, the Council (as billing authority) to calculate its Council Tax Base. The proposals are compliant with statutory duties and are provided in accordance with management of standing risk to manage the Council's finances.

Implications verified by, David Hughes, Director of Audit, Fraud, Risk and Insurance, 21 November 2022

List of Appendices

None

Agenda Item 9

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: 2022 Corporate Revenue Monitor - Month 6 (September 2022)

Report of: Cabinet Member for Finance and Reform, Councillor Rowan Ree

Responsible Director: Sukvinder Kalsi – Director of Finance

SUMMARY

This is the third corporate revenue monitoring report produced for 2022/23.

A overspend of **£5.023m** is forecast for the General Fund. Action plans of **£2.893m** are proposed that if delivered, will result in a forecast overspend of **£2.130m**.

The Housing Revenue Account is forecasting an overspend and will draw down **£1.316m more** from balances than budgeted

RECOMMENDATIONS

1. To note the General Fund forecast overspend of £5.023m.
 2. To note that the forecast drawdown from the Housing Revenue Account general balance will be £5.366m. This is £1.316m more than budgeted
 3. To note the in-year Dedicated Schools Grant High Needs Block forecasted surplus of (£0.700m), reducing the cumulative deficit.
 4. To approve General Fund virements totalling £0.230m as detailed in appendix 10.
-

Wards Affected: All

Our Priorities	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	We need to always confirm that spend fits our council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business and every penny counts.

Financial Impact

	Forecast Overspend/ (Underspend) £m	Forecast Overspend/ (Underspend) net of mitigating actions £m
Current year – month 6	5.023	2.130
Current year – month 4	4.666	1.773
2021/22 outturn	(6.884)	N/A
Last year – month 6	(2.768)	(4.698)

This report sets out the current revenue budget forecast and action plans for those departments with forecast overspends (Table 3).

Funding for the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) continues to be under pressure, although the situation is improving in line with the Council's recovery plan. For 2022/23, an in year surplus of £0.700m is forecast due to the use of alternative funding including Central School Services Block (CSSB). The overall cumulative deficit will reduce to £7.120m by year end due to the in-year surplus and the Council securing additional Government funding. Continued funding is subject to DfE monitoring and the Council continuing to manage its DSG recovery plan within the agreed limits.

The forecast drawdown from the Housing Revenue Account (HRA) general balance will be £5.366m, £1.316m more than budgeted.

Andre Mark, Head of Finance, Tel.: 07776 673 099, Email: Andre.Mark@lbhf.gov.uk, 7 October 2022 and verified by Sukvinder Kalsi, Director of Finance (11th November 2022)

Legal Implications

The Council has a statutory duty under s151 of the Local Government Act 1972 to arrange for the proper administration of its financial affairs as well as a common law fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

There are no other legal implications for this report.

Verified by Jade Monroe, Chief Solicitor, Legal Services, Tel. 0208 753 2695, jade.monroe@lbhf.gov.uk, 27 September 2022.

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

GENERAL FUND

1. The General Fund month 6 (September) forecast is a £5.023m overspend. Table 1 sets out an analysis by Department and Table 2 an analysis by subjective type of expenditure.

Table 1 – Month 6 (September 2022): General Fund forecast (underspends in brackets)

Department	Revised Budget Month 6	Forecast Outturn Variance Month 6	Forecast Outturn Variance Month 4
	£m	£m	£m
Children's Services	53.128	(0.048)	(0.192)
The Economy Department	7.339	0.380	0.476
The Environment Department	65.562	3.873	3.648
Controlled Parking Account	(30.302)	0.028	0.044
Finance	1.234	(0.143)	(0.217)
Resources	5.893	(0.107)	(0.266)
Social Care	61.796	3.870	4.003
Centrally Managed Budgets	22.295	(2.830)	(2.830)
Total	186.945	5.023	4.666

Table 2 – Month 6 (September 2022): General Fund subjective forecast
(underspends in brackets)

Subjective	Revised budget Month 6	Forecast Outturn Variance Month 6	Forecast Outturn Variance Month 4
	£m	£m	£m
Employees	116.325	(0.430)	(0.609)
Premises-Related Expenditure	12.463	4.172	2.762
Transport-Related Expenditure	1.593	(0.046)	(0.224)
Supplies & Services	49.791	3.451	1.996
Third Party Payments	183.037	4.108	4.772
Transfer Payments	171.532	(0.123)	0.067
Support Services	7.177	0.422	0.354
Items Excluded from the Cost of Services	20.593	(0.000)	(0.083)
Income	(380.798)	(6.583)	(4.424)
Non Controllable Expenditure	5.233	0.055	0.055
Total	186.945	5.023	4.666

2. As set out in the appendices, General Fund Departments have identified financial risks of £2.239m. There is also risk regarding the upturn in inflation. The September Consumer Price Index (CPI) stands at 10.1%, its highest level for 40 years.
3. The upturn in inflation had a bearing upon the 2022/23 pay negotiations. Negotiations concluded with the Trade Unions accepting the offer from the National Employers (who are 11 elected members that conduct negotiations for local government) of a flat rate increase of £2,355 per employee (£1,925 for those on Chief Officer grades) backdated to the 1st April 2022, and an extra day's annual leave (from 23/24 onwards). After allowance for employer pension and national insurance contributions, this works out at an approximate annual cost of £6m.
4. The 2022/23 Hammersmith & Fulham budget includes a £2.350m provision for the pay award and a £1.500m inflation contingency as mitigation against additional inflationary risk. The £6.000m cost of the pay offer is £2.150m more than the £3.850m (including the inflation contingency) currently set aside. As set out in Table 3 the current budget includes an unallocated contingency of £3.845m and

the month 6 forecast assumes that the extra cost of the pay award will be met from this sum plus the reduction in employers' national insurance contributions.

5. The increase in inflation will also impact on supplier costs and have a detrimental impact on household budgets. This may increase demand for council services and affect income collection rates. Action is required to monitor and manage the inflationary and departmental risks.
6. On 22nd September 2022, the Chancellor of the Exchequer announced that a 1.25% increase in employers' national insurance contributions will be reversed from the 6th of November. The increase had been agreed by the previous Chancellor with effect from 1st April 2022 to fund health and social care. This will have an in year impact of £0.520m for the council, which will be reflected through Departmental variance analysis for CRM 9 and 2022/23 year end outturn.
7. The council's finances continue to be affected by the Covid-19 pandemic. The 2022/23 budget included a one-off allocation of £2.664m to departmental budgets to fund Covid-19 pressures and the risk of an economic downturn. A one-off Covid related contingency of £1.5m is also set aside and a reserve of £6m carried forward from 2021/22. The mitigating actions summarised in Table 3 include an additional use of £2m of the unallocated Covid-19 funding to contribute to the ongoing budget pressures faced by Social Care regarding residents transferred from Hospital discharge in greater numbers and with increasing acuity of needs.
8. Overall mitigating action plans (see Appendix 9) of £2.893m are identified. If these are delivered this would decrease the overspend to £2.130m (Table 3). The forecast overspend will reduce further should the unallocated contingency not be fully utilised.

Table 3: Summary of net forecast outturn variances after action plans

Department	Forecast Outturn Variance	Potential Value of Action Plan Mitigations	Forecast Outturn Variance After mitigations
	£m	£m	£m
Children's Services	(0.048)	0.000	(0.048)
The Economy Department	0.380	0.000	0.380
The Environment Department	3.873	(0.138)	3.736
Controlled Parking Account	0.028	0.000	0.028
Finance	(0.143)	0.000	(0.143)

Resources	(0.107)	0.000	(0.107)
Social Care	3.870	(2.755)	1.115
Centrally Managed Budgets	(2.830)	0.000	(2.830)
Total	5.023	(2.893)	2.130
Balance of the unallocated contingency	(3.123)		(3.123)
Additional allowance for pay pressures	2.150		1.150
Reversal of National Insurance employer contributions	(0.520)		(0.520)
TOTAL	3.530	(2.893)	637

9. The main departmental variances are set out in Appendices 1 to 7. Additional information is provided on the delivery of planned savings and the type of expenditure (such as employees).

HOUSING REVENUE ACCOUNT

10. The Housing Revenue Account is forecasting an overspend that will result in a drawdown of **£1.316m more** from balances than budgeted (Table 4). The main variances are detailed in Appendix 8. Risks of £2.055m have been identified and details of these can also be found in Appendix 8.

Table 4: Housing Revenue Account forecast outturn

Housing Revenue Account (General Reserve)	£m
Balance as at 31 March 2022	(15.566)
Less: Budgeted appropriation from balances	4.050
Add: overspend	1.316
Balance as at 31st March 2023	(10.200)

DEDICATED SCHOOLS GRANT (DSG)

11. Dedicated schools grant (DSG) is paid in support of local authority schools' and is the main source of income for the schools' budget. It is split between central expenditure and the individual schools' budget (ISB) in conjunction with the local schools' forum.

12. Funding for the High Needs Block (HNB) continues to be under pressure with the latest forecast set out in Table 5. For 2022/23, a DSG HNB surplus of £0.700m is forecast which will go towards reducing the cumulative deficit, along with safety valve funding of £4.000m. The overall cumulative deficit is forecast to reduce to £7.120m by year end. The additional Government funding forecast is subject to the council managing its DSG recovery plan as part of the grant conditions and close monitoring by the DfE.
13. The council holds earmarked reserves against the cumulative deficit which it releases as the deficit is managed down.

Table 5: Dedicated Schools Grant – High Needs Block deficit

	£m
Cumulative deficit brought forward	11.820
In-year forecast surplus	(0.700)
Safety valve funding	(4.000)
Cumulative deficit carried forward	7.120

GENERAL FUND RESERVES

14. The council carried forward general balances and reserves of £127.8m at the start of 2022/23. A review has been undertaken of existing and potential commitments and an updated reserves cashflow produced to 2026. This is summarised in Table 6. Should the current year forecast overspend be realised this will require a drawdown to be made from reserves to mitigate this.
15. An annual update of the reserves strategy and action plan will form part of the suite of reports considered at Budget Council in February 2022.

Table 6 – General Fund reserves forecast (all opening balances)

	2021 (£m)	2022 (£m)	2023 (£m)	2024 (£m)	2025 (£m)
General balances	20.4	23.3	23.3	23.3	23.3
Earmarked reserves - unrestricted	68.3	51.1	41.7	40.7	43.0
Earmarked reserves - restricted	9.7	7.6	7.5	7.5	7.5
Covid related	29.4	7.4	2.3	2.1	2.1

Total	127.8	89.4	74.8	73.6	75.9
Revenue developer contributions	46.4	Developer contributions are subject to a separate approval and monitoring process			

16. The most significant forecast movement relates to the Covid-19 related reserve of £29.4m. This will reduce as it is applied to meet expected timing differences relating to known collection fund liabilities, and payment of business grants and other commitments.

VIREMENT AND WRITE OFF REQUESTS

17. General Fund virements of £0.230m are proposed as detailed in Appendix 10.

REASONS FOR DECISION

18. To report the revenue expenditure forecast and comply with Financial Regulations.

EQUALITIES IMPLICATIONS

19. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the adjustments to the budgets required because of this report.
20. If any such adjustments might lead to a service change and/or changes in staffing structures that could have a negative impact on groups with protected characteristics, then a full Equality Impact Assessment will need to be carried out.

RISK MANAGEMENT IMPLICATIONS

21. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

List of Appendices:

Appendix	Title
Appendix 1	Children's Services
Appendix 1a	Dedicated Schools Grant (DSG)

Appendix	Title
Appendix 2	The Economy Department
Appendix 3	The Environment Department
Appendix 3a	Controlled Parking Account
Appendix 4	Finance
Appendix 5	Resources
Appendix 6	Social Care
Appendix 7	Centrally Managed Budgets
Appendix 8	Housing Revenue Account
Appendix 9	Action Plans
Appendix 10	Virement Requests

APPENDIX 1: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance month 6	Variance month 4
	£000	£000	£000
Employees	26,791	(362)	31
Premises-related expenditure	534	127	116
Transport-related expenditure	180	(50)	(580)
Supplies & services	3,956	62	242
Third Party payments	54,537	440	75
Transfer payments	68,755	99	67
Support services	(1,806)	159	145
Items excluded from the Cost of Services	2,033	0	0
Income	(108,482)	(523)	(287)
Non-controllable expenditure	6,630	0	0
Total	53,128	(48)	(192)

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Children and Young People's Services	31,228	(720)	(433)
Education	13,438	652	359
Children's Commissioning	4,466	(9)	(6)
Children's Performance & Improvement	2,310	(94)	(113)
CHS Departmental Budgets	1,686	123	1
School Funding	0	0	0
Total	53,128	(48)	(192)

Table 2 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Children and Young People's Services		

Favourable variances on: Looked After Children and Care Leavers placements and client related expenditure (£0.181m); Staffing budgets due to part year vacancies on posts being recruited (£0.334m); Parent assessment budgets due to a reduction in care proceeding numbers (£0.235m)	(720)	(433)
Other minor variances - £0.030m		
Children and Young People's Services Total	(720)	(433)
Education		
£0.666m variance with respect to Travel Care and Support for Young People with Education and Healthcare Plans. This is a £0.392 adverse movement versus period 4.		
£0.202m adverse Disabled Children's placements for short breaks	652	359
Overspends are partly offset by part year effect vacancies on posts being recruited.		
Education Total	652	359
Children's Commissioning		
No material variances	(9)	(6)
Children's Commissioning Total	(9)	(6)
Children's Performance & Improvement		
No material variances	(94)	(113)
Children's Performance & Improvement Total	(94)	(113)
CHS Departmental Budgets		
Client non placement related expenditure not included in £0.181m forecast underspend reported in Children's and Young Peoples Services.	123	1
CHS Departmental Budgets Total	123	1
School Funding		
No material variances	0	0

School Funding Total	0	0
Total Variance	(48)	(192)

Table 4 – Savings Delivery					
		MTFS Target	On Track	Partially Deliverable	Undeliverable
		£000s	£000s	£000s	£000s
Total MTFS Savings		533	533	0	0
Schemes not on track	£000s	Reason			
3 rd Party Funding Contribution to Services		This saving has now been achieved by realigning the budget across CHS in total			

Table 5 - Key Risks - Detail Items Over £250,000			
Risk Description		Risk at Month 6 £000	Risk At Month 4 £000
None to report			
Total Risks Managed		0	0

Supplementary Monitoring Information

APPENDIX 1a: DEDICATED SCHOOLS GRANT (DSG)
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000's	£000
High Needs Block expenditure	28,647	(700)	(599)
Early Years Block expenditure	17,406	(53)	0
Schools Block expenditure	38,407	0	0
Central School Services Block expenditure	2,837	0	0
DSG income	(87,297)	753	599
TOTAL	0	0	0

Table 2 High Needs Block (HNB) Deficit	£000
High Needs Block DSG deficit brought forward from prior years	11,820
In-year HNB forecast surplus	(700)
2022-23 HNB Safety Valve funding (to be confirmed)	(4,000)
Forecast High Needs deficit after Safety Valve funding	7,120

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
High Needs Block (<i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i>)		
The forecast spend on the Dedicated Schools Grant (DSG) High Needs block (HNB) is £28.065m, this represents an underspend of £0.7m against the current 2022/23 DSG HNB allocation.		
The baseline budget overspend on The High Needs Block in 2022/23 is circa £1.2m versus budget before £1.3m transfer from Central Services Schools Block and £0.556m Schools Block transfer.	(700)	(599)
£10.55m of High Needs Safety Valve Funding was received to 2021/22 to reduce the retained High Needs Block deficit. A further £4m of HNB Safety Valve funding is expected to be received in 2022/23 subject to close monitoring by the Department of Education.		

Early Years Block (<i>Funding for Early Years including Two Year Old funding and Early Years Pupil Premium</i>)		
A forecast favourable variance on central early years expenditure is expected to be offset by grant reduction following the January 2023 early years census.	(53)	0
High Needs Block total	(753)	(599)

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk at Month 6 £000	Risk At Month 4 £000
None to report		
Total Risks Managed	0	0

Supplementary Monitoring Information
None to report

APPENDIX 2: THE ECONOMY DEPARTMENT
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast Variance by Subjective			
Subjective	Revised Budget	Variance Month 6	Variance Month 4
	£000	£000	£000
Employees	15,882	(118)	85
Premises-related expenditure	4,857	3,255	2,146
Transport-related expenditure	10	0	0
Supplies & services	3,899	536	290
Third party payments	21,750	(253)	(376)
Transfer payments	98	0	0
Support services	269	10	68
Income	(32,873)	(3,104)	(1,793)
Non-controllable expenditure	(6,499)	55	55
Total	7,339	380	476

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Housing Solutions	8,604	(94)	(40)
Economic Development, Skills Service	488	0	0
Planning	1,509	13	141
Operations	(3,475)	461	375
Place	70	0	0
Regeneration & Development	143	0	0
TOTAL	7,339	380	476

Table 3 Variance Analysis		
Departmental Division	Month 6	Month 4
	£000	£000
Housing Solutions		
The forecast for average client numbers (951 units) is lower than budgeted (982 units) in Private Sector Leased (PSL) temporary accommodation schemes, resulting in a net underspend of (£200,000). The forecast bad debt provision has reduced by (£60,000), from a budget of 2.37% to a forecast of 2%, to reflect a sustained improvement in the collection rate over the last few	(260)	(180)

Table 3 Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
months.		
This is mainly due to a forecast increase in average client numbers (from a budget of 95 clients to a forecast of 106) in Bed and Breakfast (B&B) temporary accommodation and higher accommodation costs (from a budget of £275.45 per week to an actual of £281.56), resulting in a net forecast overspend of £130,000.	130	150
Other minor variances	36	50
Housing Solutions total	(94)	(40)
Operations		
Facilities Management and Corporate Buildings - this relates to lower than budgeted income from corporate buildings of £315,000 (including loss of tenants at the Lila Huset of £230,000). As this is due to the withdrawal of Education Services and the intention to retain the archives within the building, Cabinet approval is requested to fund the shortfall from the corporate property reserve. Also, there are variances relating to works costs of £76,000 and staffing costs of £70,000.	461	375
Operations total	461	375
Planning		
Development Management - The division is predicting a Planning Applications income shortfall of £243k, which is partly offset by (£204k) release of bad debt provision. In addition, adverse variance of 116k relates mainly to exceptional costs associated with judicial reviews and major planning appeals. This is offset by a favourable staffing variance of (£142k) as a result of ongoing recruitment process and some voluntary redundancies.	13	141
Planning Total	13	141

Table 4 - Savings Delivery				
	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	235	235	0	0
Schemes not on track	£000s	Reason		
All schemes on track				

Table 5 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Housing Solutions - Overall Benefit Cap	54	72
Housing Solutions - Ending of eviction ban - an increase in court proceedings against tenants may result in an increased net cost due to an increase in households in temporary accommodation.	82	109
Housing Solutions - Increase in bad debt provision on Temporary Accommodation (Bed & Breakfast and Private Sector Leasing) rent arrears because of reductions in personal income due to financial hardship	298	397
Housing Solutions - There is a risk of a further increase in the number of households in Temporary Accommodation - based on an additional 100 households this year above the current forecast	275	366
Housing Solutions - Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	140	186
Housing Solutions - There is a risk of large families being accommodated in B&B	65	86
Housing Solutions - Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast	192	256
Housing Solutions - Domestic Abuse Act - increase in households in temporary accommodation - extra 70 households this year above the current forecast	192	256
Planning - potential unbudgeted costs associated with judicial reviews and major planning appeals including additional work to support the Hammersmith Town Centre supplementary planning document are expected to be funded from the Planning reserve.	214	214
Operations - the cost of the Property Transformation team is expected to be funded from income generated from assets.	224	224

Asset Strategy - Risks associated with bringing properties into a lettable state and risks associated with business rates potentially payable at Gibbs Green School.	60	120
TOTAL RISKS MANAGED	1,796	2,286

Supplementary Monitoring Information

Housing Solutions:

In June 2022, 214 homeless enquiries were received, with 74 homelessness applications. In July 2022, 206 homeless enquiries were received, with 62 homelessness applications. The number of homeless enquiries continued to rise in quarter 1 of this year peaking in June. June and July 2021 saw 190 and 227 enquiries respectively. Overall in quarter 1 of 2022/23, there was an increase of 75 enquiries compared to the same period last year (14% increase).

The conflict in Ukraine has impacted on homelessness approaches, with 19 families (9 Families visa scheme, 10 Homes for Ukraine sponsorship breakdowns) approaching so far; of these, 6 have been placed into temporary accommodation. This risk of an increase in homelessness as Homes for Ukraine sponsorship placements and initial accommodation arrangements made by Ukrainians arriving on the family visa scheme break down was noted in CRM2. Difficulty procuring private rented properties to prevent and relieve homelessness and increased prices are being reported across the sector.

Planning income:

In recent years has fluctuated between £3.6m (2018/19), £2.3m (2019/20), £2.2m (2020/21), £3.1m (2021/22) and is currently forecast to reach £3.4m in 2022/23. However, the inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:

- Covid19 impact on wider economy and on delays in construction projects
- Changes to the statutory charging schedule
- Economic factors such as the impact of Brexit, concerns about economic recession on developer/investor confidence and planning activity.
- Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation
- Changes to pre-application charging fees and Planning Performance Agreement templates
- Local and wider market conditions
- Availability of development sites in the borough
- Developers by-passing the pre-application process as it is not compulsory
- Reduced developer confidence in the service through reduced staffing - may be less likely to fund Planning Performance Agreements
- Government schemes to encourage house building, including grant schemes
- Developers' responding to current and pipeline housing supply in borough (they do not want to flood the local market)

• Adverse weather conditions, and delays in supply chains, delaying construction pipeline

APPENDIX 3: THE ENVIRONMENT DEPARTMENT
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance Month 6	Variance month 4
	£000	£000	£000
Employees	26,144	841	275
Premises-related expenditure	3,809	780	503
Transport-Related expenditure	1,336	40	376
Supplies & services	16,492	2,480	1,187
Third party payments	20,781	344	1,172
Transfer payments	116	0	0
Support Services	0	183	142
Items excluded from the Cost of Services	14,238	0	(83)
Income	(27,923)	(793)	76
Non-controllable expenditure	10,570	0	0
Total	65,562	3,873	3,648

Table 2 - Variance by departmental division			
Departmental division	Revised budget	Forecast variance month 6	Forecast variance month 4
	£000	£000	£000
Public Realm	36,196	2,257	2,297
Safer Neighbourhoods & Regulatory Services	10,886	791	684
Leisure, Sport, and Culture	6,189	800	673
Resident Services	12,291	25	(6)
Revised Variance	65,562	3,873	3,648

Table 3 - Variance analysis		
Table 3 – Variance analysis	Month 6	Month 4
	£000	£000
Departmental Division		
Hammersmith Bridge unfunded revenue costs	1,600	1,600
Waste and Street Cleansing - actual contractual inflation more than budget allowed for	661	626
Street lighting energy overspend	230	126
Other net variances	(234)	(55)
Public Realm total	2,257	2,297

Table 3 - Variance analysis		
Table 3 – Variance analysis		
Departmental Division	Month 6 £000	Month 4 £000
Building Control net income underachievement	179	180
Markets income shortfall (continued cost of living impact) and waste and street cleansing overspend due to actual contractual inflation more than budget allowed for	191	175
CCTV under recovery of costs	177	172
Regulatory services income and staffing pressures	220	0
Other minor variances	24	157
Safer Neighbourhoods & Regulatory Services total	791	684
Parks overspend due mostly to increasing utility costs and maintenance	426	286
Filming and Events income budget not aligned with resident and member expectations	288	284
Other net variances	86	103
Leisure, Sport and Culture total	800	673
Business Rates and Council Tax enforcement income shortfall	545	545
Accessible Transport underspend due to temporary reduction in passenger numbers	(733)	(541)
Delayed Resident Experience and Access Savings due to cost of living crisis response	244	0
Other net variances	(31)	(10)
Resident Services total	25	(6)
TOTAL VARIANCE	3,873	3,648

Table 4 - Savings Delivery				
	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total Environment Savings 2022/23	1,184	873	87	224
Schemes not on track	£000s	Reason		
Improved resident experience and access through increased use of technology	244	Staff savings at risk due to delayed IT upgrade and Revenues/Benefits staff retained to deal with new service pressures from Government support schemes.		
Leisure Contract income	67	The leisure industry continues to be affected by the cost-of-living crisis, affecting its ability to both		

		sustain and grow income.
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Table 5 - Key risks - detail items over £0.250m		
Risk Description	Risk at month 6 £000	Risk at month 4 £000
Utility and fuel charges increase (now added to forecast)	0	250
TOTAL RISKS BEING MANAGED	0	250

Supplementary Monitoring Information
<p>The Council will continue to work with the Department for Transport and Transport for London and seek to recover 66% of the Hammersmith Bridge costs as part of the project to fully restore the bridge. If successful, this will significantly reduce the forecast overspend for the Environment department.</p> <p>Additionally, the Department's commercial income continues to be adversely impacted by the cost of living crisis.</p> <p>There is also pressure on the Department's major contract budgets, due to actual inflation being significantly more than the allowance provided for in the budget. The Department will work to explore options for resolving this in the current year budget. The ongoing budgetary impacts are expected to be addressed as part of the usual Medium Term Financial Strategy process.</p>

APPENDIX 3A: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance Month 6	Variance Month 4
	£000	£000	£000
Employees	7,251	(45)	(15)
Premises-related expenditure	80	(3)	(3)
Transport-related expenditure	2	(35)	(18)
Supplies & services	979	151	82
Third Party payments	5,877	(368)	(318)
Transfer payments	0	0	0
Support services	214	(49)	(66)
Items excluded from the Cost of Services	0	0	0
Income	(47,472)	395	382
Non-controllable expenditure	2,767	0	0
Total	(30,302)	28	44

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Income	(47,472)	395	382
Expenditure	17,170	(367)	(338)
Total	(30,302)	28	44

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Income		
Pay & Display is down compared to the first six periods last financial year. PCN enforcement is more effective due to the increased utilisation of unattended cameras.	395	382
Income total	382	386
Expenditure		
A reduced spend on Pay & Display activities corresponding to reduction in activity. As well as a slight delay in recruiting to the	(367)	(338)

new Parking structure.		
Expenditure total	(338)	(417)
Total variance	44	(31)

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk at Month 6 £000	Risk At Month 4 £000
None to report		
Total Risks Managed	0	0

Supplementary Monitoring Information
None to report.

APPENDIX 4: FINANCE
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance month 6	Variance month 4
	£000	£000	£000
Employees	6,707	(597)	(648)
Premises-related expenditure	0	0	0
Transport-related expenditure	3	(1)	(2)
Supplies & services	2,595	172	169
Third Party payments	241	10	9
Transfer payments	0	0	0
Support services	(16)	17	10
Items excluded from the Cost of Services	0	0	0
Income	(3,056)	257	244
Non-controllable expenditure	(5,232)	0	0
Total	1,234	(143)	(217)

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Assurance, Programmes & Analytics	1,373	(64)	(25)
Audit, Fraud, Risk and Insurance	976	(95)	(83)
Corporate Services	610	46	(30)
Finance	3,201	(181)	(246)
Managed Services	2,132	1	1
Corporate Procurement	575	(25)	(46)
Commercial Advertising	(2,400)	175	212
Sub-Total	6,466	(143)	(217)
Departmental non-controllable budgets	(5,232)	0	0
Total	1,234	(143)	(217)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Assurance, Programmes & Analytics		
	(64)	(25)
Assurance, Programmes & Analytics Total	(64)	(25)
Audit, Fraud, Risk and Insurance		
Staffing vacancies	(95)	(83)
Audit, Fraud, Risk and Insurance Total	(95)	(83)
Corporate Services		
	46	(30)
Corporate Services Total	46	(30)
Finance		
A restructure of the finance service has now been completed but there have been delays in recruitment to several posts due to notice periods.	(181)	(246)
Finance Total	(181)	(246)
Managed Services		
	1	1
Managed Services Total	1	1
Corporate Procurement		
Staffing vacancies	(25)	(46)
Corporate Procurement Total	(25)	(46)
Commercial Advertising		
The position has improved from period 4 due to increased second quarter profit share figures from one site. However, the impact of the Covid-19 pandemic has led to an overall fall in expected income from partner advertising agencies. A number of our sites are on a profit share basis and are forecast to result in a budget pressure for the year.	175	212
Commercial Advertising Total	175	212

Total Variance	(143)	(217)
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Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk at Month 6 £000	Risk At Month 4 £000
None to report		
Total Risks Managed	0	0

Supplementary Monitoring Information
None to report

APPENDIX 5: RESOURCES
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	14,767	(412)	(337)
Premises-related expenditure	198	13	0
Transport-related expenditure	1	0	0
Supplies & services	9,114	50	26
Third party payments	60	40	27
Transfer payments	0	0	0
Support services	29	102	55
Items excluded from the Cost of Services	0	0	0
Income	(6,098)	99	(36)
Non-controllable expenditure	(12,179)	0	0
Total	5,893	(107)	(266)

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget £000	Forecast Variance Month 6 £000	Forecast Variance Month 4 £000
Communications and Communities	739	24	23
Democratic Services, Coroners & Mortuaries	2,424	(76)	(309)
Digital Services	12,423	4	0
Resources Directorate	188	(17)	(15)
Legal Services	(395)	(86)	(7)
Members Support	322	44	42
Transformation, Talent and Inclusion	2,372	0	0
Sub-Total	18,072	(107)	(266)
Departmental non-controllable budgets	(12,179)	0	0
Total	5,893	(107)	(266)

Departmental Division	Month 6 £000	Month 4 £000
Communications and Communities		
	24	23
Communications and Communities Total	24	23
Democratic Services, Coroners & Mortuaries		
Following a number of staffing changes including recruitment to vacant posts, underspend forecasts have been reduced for both registrars and the Mayor's office. Smaller adverse forecast movements across coroners and mortuaries services and electoral services have also contributed to the movement from period 4 but all services remain forecasted within budget.	(76)	(309)
Democratic Services, Coroners & Mortuaries Total	(76)	(309)
Digital Services		
	4	0
Digital Services Total	4	0
Director of Resources		
	(17)	(15)
Director of Resources Total	(17)	(15)
Legal Services		
	(86)	(7)
Legal Services Total	(86)	(7)
Members Support		
	44	42
Members Support Total	44	42

Table 4 - Savings Delivery					
		MTFS Target	On Track	Partially Deliverable	Undeliverable
		£000s	£000s	£000s	£000s
		450	450		
Schemes not on track	£000s	Reason			

Table 5 - Key Risks - Detail Items Over £0.250m		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
None to report		
Total Risks Managed	0	0

Supplementary Monitoring Information
None to report

APPENDIX 6: SOCIAL CARE
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast Variance by Subjective			
Subjective	Budget	Variance Month 6	Variance Month 4
	£000	£000	£000
Employees	15,377	263	0
Premises-related expenditure	620	0	0
Transport-related expenditure	40	0	0
Supplies & services	1,793	0	0
Third party payments	78,829	3,843	4,113
Transfer payments	12,638	(222)	0
Support services	7,808	0	0
Items excluded from the Cost of Services	0	0	0
Income	(60,417)	(14)	(110)
Non-controllable expenditure	5,108	0	0
Total	61,796	3,870	4,003

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Independent Living, Quality, Performance & Safeguarding	25,162	2,080	2,300
Specialist Support and Independent Living	25,728	2,038	1,835
Commissioning	5,151	(248)	(132)
Resources	5,262	0	0
Social Care Directorate	493	0	0
Public Health	0	0	0
TOTAL	61,796	3,870	4,003

Table 3 – Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Independent Living, Quality, Performance & Safeguarding		
The overspend comprises of: The full-year effect from 2021/22 and an additional 139 net increase in residents with Home Care packages costing £1.641m.	2,080	2,300

<p>An overspend of £0.467m in nursing placements for 24 new discharge to assess D2A residents transferred from Health to social care services.</p> <p>The other projected overspend comprises of:</p> <p>Staffing cost of £0.425m to meet the additional demand in residents and a shortfall of residential income contributions of £0.120m. This is partially mitigated by underspend in Direct Payment service of (£0.439m) due to decrease in residents care packages needs and additional income from funded nursing care of (£0.134m).</p> <p>As these costs reflect the medium-term impact from the Covid-19 D2A hospital policy, the department has requested funding from the one-off Covid-19 reserve to mitigate some of these costs.</p> <p>There is a risk of more residents yet to be assessed and transferring to the department. A further 11 residents are scheduled to have an assessment, and 80% of these are expected to transfer to the department.</p>		
<p>Independent Living, Quality, Performance & Safeguarding Total</p>	<p>2,080</p>	<p>2,300</p>
<p>Specialist Support and Independent Living</p>		
<p>The main pressures are in Learning Disability (LD) services due to the full year effect of new or returning residents commencing from 2021/22 and higher market costs. The projected overspend comprises of:</p> <p>Homecare - £0.506m Adult Supported Living - £0.815m Placements - £0.662m Direct Payment and Day Care services areas - £0.217m.</p> <p>There are mitigating staffing underspends (£0.162m) due to a delay in recruitment to vacancies within the in-house provided services.</p> <p>Since the start of the year there have been 30 LD residents receiving services with costs averaging over £2,000 per week. In Adult Supporting Living, the unit costs have increased by 11% in the last two months due to lack of market supply which is the main change in the projections.</p>	<p>2,038</p>	<p>1,835</p>

Specialist Support and Independent Living Total	2,038	1,835
Commissioning		
Underspend on a range of commissioned variable contracts and a contribution from the Household Support Fund for expenditure to support households with pensioners to support with food, energy and utility bills and meals.	(248)	(132)
Commissioning Total	(248)	(132)

Dept	MTFS Target	On Track	Partially Deliverable	Undeliverable
	£000s	£000s	£000s	£000s
Total MTFS Savings	1,500	987	513	0
Schemes not on track	£000s	Reason		
	513	<p>At this stage of the financial year (month 6) the department is forecasting full delivery of savings. There remains £0.513m (34% of the total savings) to be delivered over the next 6 months.</p> <p>There are several efficiency measures to be delivered by reviewing community care packages and ensuring the right support is provided, re-commissioning opportunities, better demand management and choice from acute hospitals. We aim to redesign the brokerage function, so we can secure the best services for residents and bolster the service with more focus on specialist support. In addition we will use London wide benchmarking data or tools like 'care cubed' to secure quality, good value for money learning disability and mental health placements.</p>		

Table 5 - Key Risks - Detail Items Over £0.250m		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Inflation appeals above 4% awarded to care providers	200	600

11 Physical Support nursing placements funded by the NHS awaiting to be transferred to Social Care, a decrease of 11 since last the period.	200	292
LD placements and Physical support residents. Potential transfers from health, awaiting CHC/Care Act assessments and ongoing appeals and transitions transferring from Children to Adults.	43	708
TOTAL RISKS MANAGED	443	1,600

Supplementary Monitoring Information

The forecast is an improvement of 0.133m since the month 4 report. However the forecast is caveated with unknowns as we come out of Covid-19 including:

The impact of the hospital discharges placed by NHS and requiring reassessment of care which is increasing social care costs.

The NHS delays in elective surgery, recruitment issues and bed closures means services are provided more like a 'ward' at home.

The impact of cost-of-living pressures on the care market providers.

The fair cost of care exercise which will produce a market sustainability report and emerging market process which are resulting in higher median unit costs.

There are higher expectations for residents in receipt of support which is right however this exceeds what can be provided from the financial envelope.

The delivery of budgeted 2022/23 savings of £1.5m.

APPENDIX 7: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance Month 6	Variance month 4
	£000	£000	£000
Employees	3,604	0	0
Premises-related expenditure	2,625	0	0
Transport-related expenditure	21	0	0
Supplies & services	10,966	0	0
Third party payments	112	70	70
Transfer payments	89,925	0	0
Support services	678	0	0
Items excluded from the Cost of Services	4,322	0	0
Income	(94,026)	(2,900)	(2,900)
Non-controllable expenditure	4,068	0	0
Total	22,295	(2,830)	(2,830)

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget Month 6	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Corporate & Democratic Core	1,780	0	0
Housing Benefits	(328)	0	0
Levies	1,560	0	0
Net Cost of Borrowing	4,115	(3,000)	(3,000)
Other Corporate Items	9,439	170	170
Pensions & redundancy	5,728	0	0
Total	22,295	(2,830)	(2,830)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Net Cost of Borrowing		
The Bank England interest base rate has increased from 0.25% in December 2021 to 2.25% in September 2022. This will enable an increase in the interest earned from the council's cash balances.	(3,000)	(3,000)

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Net Cost of Borrowing Total	(3,000)	(3,000)
Other Corporate Items		
Higher spend on the council's contribution towards the Apprenticeship levy. In part this is due to increased payroll costs due a switch from use of agency staff to directly employed staff on fixed term contracts and additional staffing costs for example through the law enforcement team	70	70
A forecast shortfall in budgeted land charge income.	100	100
Other Corporate Items total	170	170

Table 4 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
None to report		
Total Risks Managed	0	0

Supplementary Monitoring Information
None to report

APPENDIX 8: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING MONTH 6

Table 1 - Forecast variance by subjective			
Subjective	Revised budget	Variance month 6	Variance month 4
	£000	£000	£000
Employees	21,371	(254)	(115)
Premises-related expenditure	21,264	63	513
Transport-related expenditure	28	(0)	(1)
Supplies & services	9,379	420	13
Third party payments	1,679	308	307
Transfer payments	0	0	0
Support services (internal trading services)	1,175	339	317
Items excluded from the Cost of Services	8,595	525	0
Non-controllable expenditure	25,939	(379)	(190)
Income	(85,378)	297	322
Appropriation From HRA General Reserve	4,050	1,318	1,166

Table 2 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 6	Forecast Variance Month 4
	£000	£000	£000
Housing Income	(82,144)	102	102
Finance & Resources	6,866	0	0
Housing Management	6,514	407	525
Property & Compliance	9,077	576	582
Void & Repairs	10,455	0	
H&F maintenance (DLO)	3,365	0	0
Safer Neighbourhoods	723	0	0
Place	10,979	85	146
Regeneration & Development	882	0	0
Operations	3,945	0	0
Capital Charges	26,205	146	(190)
Corporate Support Service Recharges	7,184	0	0
Appropriation From HRA General Reserve	4,050	1,316	1,166

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
Housing Income		
A forecast on dwelling rent and service charges income loss of £318k due to higher than budgeted void properties (2.40% income loss forecast compared to budget of 2%) is partially offset by lower than expected costs relating to providing for bad debts (£350k). Additionally, there are a number of other variances on various income streams of £135k.	102	102
Housing Income total	102	102
Housing Management		
A high level of decants is driving a forecast overspend in temporary accommodation and disturbance allowance costs of £460k and Council Tax payable on void properties of £120k. This is off-set by (£80k) of underspend on staff costs and (£93k) of underspend on other minor variances.	407	525
Housing Management total	407	525
Void & Repairs		
Significant financial pressures due to high volumes of disrepair compensation claims (including the associated legal costs) persist and an overspend of £340k is expected as a result. Also, a £119k overspend on emergency accommodation and a £41k overspend on other minor variances are forecast. These overspends are expected to be partially offset by higher rates of works capitalisation than budgeted (estimated at £500k at this stage).	0	0
Void & Repairs Total	0	0
Resident and Building Safety		
The forecast overspend of £576k is mainly due to higher compensation payments following stormy weather which led to the shutting down of gas supplies to Drake and Shackleton House and staffing overspends due to the need to cover the cost of emergency calls in the borough related to Health and Safety.	576	582
Resident and Building Safety Total	576	582
Place		

Table 3 - Variance Analysis		
Departmental Division	Month 6 £000	Month 4 £000
The overspend relates mainly to additional staffing required at the Repairs Customer Service Centre.	85	146
Place total	85	146
Capital Charges		
A reduction in the depreciation charge following an external review of the value and life of the housing stock, offset by an increase in borrowing costs due to increases in the internal borrowing rate (from a budget of 0.1% to a forecast of 2.5%).	146	(190)
Capital Charges total	146	(190)
Total Variance	1,316	1,165

Table 4 - Savings Delivery					
		MTFS Target	On Track	Partially Deliverable	Undeliverable
		£000s	£000s	£000s	£000s
Total HRA Efficiencies		3,850	3,850	0	
Schemes not on track	£000s	Reason			

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 6 £000	Risk At Month 4 £000
Capitalisation of Staffing: - officers are completing regular and robust reviews of capitalizable staffing costs but there is a risk that these assumptions may need to be adjusted dependent on activities carried out by staff during the year.	850	850
Income loss due to voids - the forecast takes account of a plan to reduce void numbers so there is a risk that income loss will be greater than currently forecast.	300	-
Income collection - the current excellent performance on rental income collection may deteriorate as a result of the current economic pressures	355	355

Non-disrepairs compensation for urgent repairs works. This is in addition to the forecast overspend of £582k reported above in Residents & Building Safety division.	unknown	unknown
Disrepairs related fees, external legal cost, internal legal cost and damages payments: it is possible that Council may end up incurring higher costs and this position will be closely monitored and updated in subsequent monitoring reports.	550	unknown
Delivery of savings - progress has been made on the identification of initiatives to deliver the £3.8m of savings needed this financial year so the risk previously reported is now expected to be wholly mitigated.	0	2,200
Total Risks Managed	2,055	3,405

Supplementary Monitoring Information
None.

APPENDIX 9 – ACTION PLANS – MONTH 6

Finance Overspend Action Plan				
Ref	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	Digital Advertising - Detailed analysis of profit shares with partner agencies to be undertaken and could mitigate a proportion of the income shortfall. The mitigation amount is subject to market volatility.	TBC	Sukvinder Kalsi	Mar-23
	Total Mitigating Actions	TBC		

Social Care and Public Health Action Plan				
Ref	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	One-off Covid-19 funding held corporately to contribute to ongoing budget pressures of residents transferred from Hospital discharge in greater numbers and with increasing acuity of needs.	2.000	Prakash Daryanani	31/03/2023
2	Review all packages and direct payments including completion of CHC checklists and the use of care cubed calculator tool to ensure packages sizes are aligned with care plans.	0.500	Jo Baty / Christopher Nicklin	31/03/2023
3	Fill voids in block contracts or reduce payments to providers	0.255	Jo Baty / Julie Murray	31/03/2023
	Total	2.755		

The Environment Overspend Action Plan				
	Mitigating Action(s)	Proposed Mitigations £m	Responsible Officer	Deadline
1	Resume virtual court for the recovery of business rates and council tax enforcement income	0.138	Nicola Ellis	31/12/22
	Total Mitigating Actions	0.138		

APPENDIX 10 - VIREMENT REQUESTS – MONTH 6

Details of Virement	Amount (£000)	Department
GENERAL FUND:		
Use of corporate property reserve to fund the shortfall on corporate buildings income	230	Economy
	(230)	CMB
Total of Requested Virements (Debits)	230	
HRA:		
Total of Requested Virements (Debits)		

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: Capital Programme Monitor & Budget Variations, 2022/23 (Second Quarter)

Report of: Cabinet Member for Finance and Reform, Councillor Rowan Ree

Responsible Director: Sukvinder Kalsi – Director of Finance

SUMMARY

This report provides a financial update on the council's capital programme and requests approval for budget variations to the capital programme.

RECOMMENDATIONS

1. To note the net forecast decrease in forecast 2022/23 capital expenditure of £17m. The variations are detailed in Appendix 2.
 2. To approve the updated four-year capital programme 2022-2026 of £695.6m as detailed in Appendix 1.
 3. To approve an additional budget of £0.300m for the Farm Lane predevelopment costs (as described in Appendix 6) funded from General Fund borrowing.
 4. To approve an additional budget of £1.435m for asset management and compliance programme costs related to pre-agreed and void works funded from the Housing Revenue Account (HRA) borrowing as described in paragraph 14.
 5. To note the potential risks regarding the Housing Capital Programme, as summarised in paragraphs 16-19.
-

Wards Affected: All

The capital programme contains schemes and projects which are directly linked to the Council's priorities.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	All capital investment decisions are required to be underpinned by a robust business plan that sets out the full costs and risks and any expected financial return alongside the broader outcomes including economic and social benefits.

	<p>Officers are responsible for monitoring and delivering projects within approved budgets and reporting variances.</p> <p>This report provides detailed analysis of the Council's capital programme financial position and highlights any potential risks and their impact on the Council's resources.</p>
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Financial Impact

This report is wholly of a financial nature.

Budget Council approved a four- year capital programme for 2022/23 to 2025/26 of £577.1m. The programme now stands at £695.6m. The increase of £118.5m is mainly due to:

- the carry forward of unspent budgets of £42.8m from 2021/22 to future years
- the inclusion of a budget, as agreed by July 2022 Council, of £58.6m for the Hartopp and Lannoy development.
- inclusion of a budget, as agreed by July 2022 Council, of £7.5m for progression and delivery of LBHF's development gateway 2 and 3 for Barclay Close, Jepson House, Becklow Gardens and the Grange sites
- inclusion of £5m of a budget, as per agreed TfL and s106 funding, for various infrastructure and transport schemes
- Other variations of £4.6m as detailed in Appendix 2.

The economic outlook is uncertain with supply constraints and labour shortages, driven by the war in Ukraine, Covid and Brexit, leading to higher prices for works and materials and pressure on wages. The September inflation rate, as measured by the Consumer Price Index, is 10.1% with the Bank of England (BoE) forecasting that it will peak at just under 11% in the last 3 months of 2022. The BoE expect it to remain at very elevated levels throughout much of 2023, before falling to 2% two years ahead. As part of their policy response to the increase in inflation the BoE have increased the interest base rate to 3% with further increases likely. The upturn in inflation represents a significant financial risk to the capital programme as it impacts on budgeted costs, contractor performance, potential receipts and scheme viabilities. This risk needs to be kept under review with mitigating actions taken as necessary.

As part of their policy response to the increase in inflation the BoE have increased the interest base rate to 2.25% as at the end of Quarter 2 (September 2022). The BoE have since announced a further interest rate increase of 0.75% on the 3rd of November 2022 to increase the base rate to 3% (it was 0.25% in December 2021). The interest rate regarding long-term borrowing from the Public Works Loans Board (PWLB) now stands at 3.97% compared to 1.5% in December 2021. Economists are forecasting further base rate increases to mitigate inflationary pressures over the next 12 to 18 months.

The Council's underlying need to borrow (capital financing requirement (CFR) to support the capital programme is forecast to increase by £448.8m over the next 4 years (£56.2m regarding the headline General Fund CFR, £102.4m regarding self-financing schemes and £290.2m regarding the Housing Revenue Account). For

illustrative purposes it is currently estimated that the increase of £56.2m in the GF CFR will result in an estimated additional revenue budget requirement of £3.6m¹ per annum by 2026/27.

The increase in build cost inflation and borrowing costs is bad news for the council and will result in additional financial pressures that need to be addressed through the Medium-Term Financial Strategy and HRA business plan. Actions that may partially mitigate against the increase in interest rates, such as use of available internal cash balances or borrowing for shorter-term periods, will continue to be explored with the Council's Treasury Management Team. The revenue affordability and financial sustainability of the council's current, and future, capital expenditure plans, including self-financing schemes, will also need to be reviewed on ongoing basis and as part of the development of the 2023-27 capital programme.

Andre Mark, Head of Strategic Planning and Investment, 28 November 2022

Legal Implications

There are no direct legal implications in relation to this report. Legal advice will be sought for each Procurement within the programme and will comply with the Council's Contract Standing Orders and the Public Contract Regulations.

Grant Deg, Assistant Director, Legal Services, 21 December 2022

Background Papers Used in Preparing This Report

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report:

- Capital Programme 2022-26 (published February 2022)

CAPITAL PROGRAMME 2022-23 – Q2 OVERVIEW

1. The updated Quarter 2 capital programme is summarised in Table 1. The 2022/23 programme has decreased by £17m to £204.8m in comparison to the previous quarter. All the variations are detailed in Appendix 2.

¹ Current cost of borrowing rate of 7.25% calculated using the latest discounted certainty PWLB interest rate of 3.97% and minimum revenue provision (MRP) of 3.28%. MRP on new developments is charged at 2%.

Table 1 – LBHF Capital Programme 2022-26 with proposed 2022-23 Q2 variations

	2022/23 Original Budget	2022/23 Revised Budget (Q1)	Total Variations	2022/23 Revised Budget (Q2)	2023/24	2024/25	2025/26	Total Budget (All years)
	£'000	£'000	£'000		£'000	£'000	£'000	£'000
CAPITAL EXPENDITURE								
Children's Services	3,748	6,294	-	6,294	3,579	-	-	9,873
Social Care	957	3,455	-	3,455	-	-	-	3,455
Environment Department	10,060	29,341	(1,205)	28,136	9,368	4,511	3,515	45,530
Finance and Resources Department	4,585	6,188	-	6,188	-	-	-	6,188
General Fund Schemes under the Economy Department	94,592	99,142	(12,806)	86,336	81,453	3,809	3,435	175,033
Sub-total (General Fund)	113,942	144,420	(14,011)	130,409	94,400	8,320	6,950	240,079
Economy Department-HRA Programme	77,654	77,386	(3,026)	74,360	162,641	144,176	74,304	455,481
Sub-total Economy Department (HRA)	77,654	77,386	(3,026)	74,360	162,641	144,176	74,304	455,481
Total Expenditure	191,596	221,806	(17,037)	204,769	257,041	152,496	81,254	695,560
CAPITAL FINANCING								
Specific/External Financing:								
Government/Public Body Grants	6,483	16,777	146	16,923	3,579	-	-	20,502
Grants and Contributions from Private Developers (includes S106/CIL)	7,636	19,822	(910)	18,912	11,314	10,018	4,704	44,948
Capital Grants/Contributions from Non-departmental public bodies	45	1,483	19	1,502	-	-	-	1,502
Capital Grants and Contributions from GLA Bodies	5,278	9,547	(488)	9,059	7,905	9,424	4,537	30,925
Leaseholder Contributions (Housing)	1,598	1,598	-	1,598	1,811	1,449	931	5,789
Sub-total - Specific Financing	21,040	49,227	(1,233)	47,994	24,609	20,891	10,172	103,666
Mainstream Financing (Internal):								
Capital Receipts - General Fund	13,911	14,678	-	14,678	-	-	-	14,678
Capital Receipts - HRA	3,156	827	1,820	2,647	6,786	6,947	27,087	43,467
Major Repairs Reserve (MRR)	16,620	16,620	685	17,305	17,013	17,415	17,934	69,667
General Fund Revenue Funding	-	-	10	10	-	-	-	10
Earmarked Reserves (Revenue)	-	896	38	934	-	-	-	934
Sub-total - Mainstream Funding	33,687	33,021	2,553	35,574	23,799	24,362	45,021	128,756
Borrowing-General Fund	85,568	87,365	(13,988)	73,377	85,289	7,320	6,950	172,936
Borrowing -HRA	51,301	52,193	(4,369)	47,824	123,344	99,923	19,111	290,202
Total Capital Financing	191,596	221,806	(17,037)	204,769	257,041	152,496	81,254	695,560

GENERAL FUND – MAINSTREAM PROGRAMME AND CAPITAL RECEIPTS

- The General Fund (GF) mainstream programme cuts across the departments and represents schemes which are funded from Council resources (capital receipts or borrowing). It is the area of the programme where the Council has the greatest discretion. The mainstream programme and quarter 2 movements are summarised in Table 2 and identify a £8.6m reduction in 2022/23 expenditure.

Table 2 – LBHF GF Mainstream Capital Programme 2022-26 with proposed 2022-23 Q2 variations:

	Revised Budget 2022/23 (Q1)	Variations (Q2)	Revised Budget 2022/23 (Q2)	Indicative Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure							
Social Care Capital projects [ASC]	129	-	129	-	-	-	129
Invest to Save-Flexible Use of Capital Receipts [FIN]	5,274	-	5,274	-	-	-	5,274
Investment in Digital Infrastructure [RES]	914	-	914	-	-	-	914
Capital Investment in Street Lighting [ENV]	665	-	665	-	-	-	665
WMC JV Exit Costs [ECD]	1,873	-	1,873	-	-	-	1,873
Carnwath Road [ECD]	-	-	-	1,870	-	-	1,870
Hammersmith Bridge Strengthening [ENV]	2,397	-	2,397	-	-	-	2,397
Hammersmith Bridge Pre Restoration Works [ENV]	1,186	-	1,186	-	-	-	1,186
Public CCTV [ENV]	510	-	510	1,370	1,135	1,139	4,154
Other Highways Capital Schemes [ENV]	214	-	214	-	-	-	214
North End Road - Good Growth Fund [ECD]	1,152	-	1,152	-	-	-	1,152
HRA Watermeadow adjustment [ECD]	1,524	-	1,524	-	-	-	1,524
Foster carers' extension [CHS]	184	-	184	-	-	-	184
Leisure Centre Capital Investment [ENV]	358	-	358	90	-	-	448
Planned Maintenance/DDA Programme [ECD]	7,366	-	7,366	3,400	2,400	2,400	15,566
Electric Vehicles [ENV]	150	-	150	-	-	-	150
Footways and Carriageways [ENV]	2,386	-	2,386	2,030	2,030	2,030	8,476
Column Replacement [ENV]	363	-	363	346	346	346	1,401
Parks Programme & Libraries [ENV]	180	(11)	169	-	-	-	169
Hammersmith Town Hall Refurbishment [ECD]	16,929	(11,188)	5,741	18,808	-	-	24,549
Community Schools Programme [ECD]	1,123	(202)	921	262	-	-	1,183
Education City Youth Zone [ECD]	-	3,500	3,500	-	-	-	3,500
Farm Lane/Mund Street [ECD]	1,069	(860)	209	1,105	479	511	2,304
Investment in Affordable Housing-Lillie Road Site [ECD]	1,001	184	1,185	100	-	-	1,285
Total Mainstream Programmes	46,947	(8,577)	38,370	29,381	6,390	6,426	80,567
Financing							
Capital Receipts	14,678	-	14,678	-	-	-	14,678
Increase/(Decrease) in Borrowing	32,269	(8,577)	23,692	29,381	6,390	6,426	65,889
Total Financing	46,947	(8,577)	38,370	29,381	6,390	6,426	80,567

- The mainstream programme presented in Table 2 does not include self-financing schemes (where the net General Fund revenue borrowing costs are nil). Appendix 5 details the self-financing schemes and their borrowing requirement.
- A key financial focus of the capital monitoring report is the potential impact of capital expenditure on future borrowing and its revenue affordability. The Council's underlying need to borrow for a capital purpose is measured through the CFR and incorporates the forecast borrowing for the mainstream programme. The current forecast for the General Fund Headline CFR (excluding the self-financing schemes set out in Appendix 5) is set out below:

	Last forecast (2022/23 opening budget)	Current forecast (2022/23 Q2)
General Fund CFR	£m	£m
2021/22 Closing CFR (actual)	128.91	128.91

2022/23 Closing CFR	159.62	151.04
2025/26 Closing CFR	184.96	185.14

5. The underlying need to borrow is forecast to increase by £56.2m over the next four years. By 2026/27 illustrative modelling indicates that this will increase annual revenue borrowing costs by an estimated £3.6m. This will need to be allowed for within future budget planning and the medium-term financial strategy process.
6. The mainstream forecast assumes funding of £14.7m (including £1.5m brought forward from 2021/22) from capital receipts. These will be partially used to support invest to save expenditure and IT investment of £6.1m in accordance with the council's reserve strategy and action plan.
7. New capital receipts of £13.78m are anticipated in 2022/23. These will be used to support investment in the Council's General Fund capital schemes. Should the receipts slip to future years, or not proceed, then there is risk that the 2022/23 CFR increase will be greater than the current forecast.
8. The General Fund capital programme includes several regeneration schemes that are at an early stage. These include £6.6m for the Farm Lane, Mund Street and Lillie Road developments, £2.2m for the Community Schools Programme and £3.5m for Watermeadow Joint Venture exit costs. Should these schemes not fully progress there is a risk that some, or all, of the expenditure may need to be written off to revenue. As mitigation against this risk the Development Board (chaired by the Director of Economy) is providing a gateway and governance process for these schemes before commitment of funds. An earmarked revenue reserve of £5m is also set aside as further mitigation.
9. There are currently no forecast capital receipts beyond 2022/23 and therefore will rely on borrowing to finance programmes in future years. However, the Council's Property Transformation Strategy is systematically reviewing all assets as part of asset management best practice and as part of the wider accommodation strategy considering the Council's 'Hello Hybrid Future' strategy. As part of this programme of work, surplus assets may be identified that cannot be re-purposed for other uses and that could be sold for a capital receipt to support the capital programme. Any decisions on asset disposals will be the subject of a future report.

HOUSING CAPITAL PROGRAMME OVERVIEW

10. Housing Capital expenditure for 2022/23 is forecast at £74.4m and for the four-year programme to 2025/26 spend is expected to be £455.5m. The expenditure and funding analysis of the Housing Programme is summarised in Table 3 below.

Table 3 – Housing Capital Programme 2022-26 with proposed 2022-23 Q2 variations:

	Revised Budget 2022/23 (Q1)	Total Variations	Revised Budget 2022/23 (Q2)	Indicative 2023/24 Budget	Indicative 2024/25 Budget	Indicative 2025/26 Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure						
HRA Asset Management and Compliance Programme	56,247	1,435	57,682	99,676	72,682	61,041
Building Homes and Communities Strategy	18,141	(4,686)	13,455	23,516	32,014	5,174
Other HRA Capital Schemes	2,998	225	3,223	39,449	39,480	8,089
Total Housing Programme	77,386	(3,026)	74,360	162,641	144,176	74,304
Available and Approved Resource						
Capital Receipts - Unrestricted	134	1,820	1,954	4,000	6,947	27,087
Capital Receipts - RTB (141)	693	-	693	2,786	-	-
Capital Receipts - GF	1,432	-	1,432	-	-	-
Major Repairs Reserve (MRR)	16,620	685	17,305	17,013	17,415	17,934
Contributions Developers (S106)	231	225	456	5,782	9,018	4,704
Contributions from leaseholders	1,598	-	1,598	1,811	1,449	931
Capital Grants from Central Government	239	-	239	-	-	-
Capital Grants and Contributions from GLA Bodies	49	-	49	3,006	4,689	3,069
RtB GLA Ringfence	4,089	(1,387)	2,702	4,899	4,735	1,468
Borrowing (HRA)	52,193	(4,369)	47,824	123,344	99,923	19,111
Borrowing (GF)	108	-	108	-	-	-
Total Funding	77,386	(3,026)	74,360	162,641	144,176	74,304

11. Within the Housing Capital Programme there has been a net budget decrease of £3m. Detailed analysis of the budget variances is presented in Appendix 2. The risks associated with funding the future years' Housing Capital Programme are summarised in paragraphs 16-19.

12. The HRA CFR is shown in Table 4 below:

Table 4 – HRA CFR at Q2 2022-23 (including future years forecast):

HRA CFR Forecast	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
Closing Forecast HRA CFR	256.97	304.79	428.13	528.06	547.17

13. The Housing Revenue Account 2022/23 CFR has increased by £47.8m in comparison to 2021/22. This is mainly due to 2021/22 budgets being reprofiled to 2022/23 and an increase in budget for the HRA Asset Management and Compliance Programme. The HRA CFR is forecast to increase to £547.1m by the end of 2025/26.

HOUSING CAPITAL PROGRAMME RISKS

14. The following risks associated with funding of future years' expenditure have been identified within the Housing Capital programme:
15. **S106 Funding:** The proposed programme for 2022/23–2025/26 relies on £20m of S106 receipts for affordable housing, of which £16.1m has been received to date with the remainder dependent on the associated developments proceeding in a timely manner. There is a risk should such contributions materialise.
16. **Right to Buy funding (GLA):** The Council has an agreement with the Greater London Authority (GLA) which gives the Council a further three years to use any receipts (plus interest) paid to Central Government after they have been held by the Council for five years (eight years in total). As at 31 March 2022, the GLA held £23.9m of Hammersmith & Fulham RTB receipts. To fully utilise these the Council will need to approve expenditure of £79m, by Q2 2023/24, on qualifying new build schemes. Whilst current monitoring indicates that such receipts will be fully utilised, there is a risk that any delay in progressing the schemes may prevent the full use of such receipts.
17. **Right to Buy funding (retained):** The Council has retained £10.1m of RTB 1-4-1 receipts which need to be spent within five years from the date of retention on eligible expenditure in respect of building new affordable housing schemes. £1.5m of these receipts is due to be spend by 31 March 2023. Should these receipts not be spent on timely basis, the Council will have to repay them back to the Department of Levelling Up, Housing and Communities (DLUHC) with interest which would be an additional costs to HRA.
18. **Building Safety Act and Fire Safety Act:** The Building Safety Act came into force on 28 April 2022 whereas the Fire Safety Act was enacted in 2021. These legislations will significantly impact on the Council in its role as landlord. Whilst the Council has already approved its current Asset Management and Compliance Programme, which is included in the Capital Programme, additional safety requirements and further significant capital requirements will need to be considered. An updated Asset Management Capital Strategy, setting out a 12-year plan, was approved by the Cabinet in September 2021. Four -year spend for the period 2022/23-2025/26 has already been incorporated into the current Capital Programme. The impact of the proposals has been modelled in the latest HRA 40-year Business Plan and indicates a requirement for additional revenue savings to finance the significant capital servicing costs involved.

REASONS FOR DECISION

19. This report reports the quarter 1 position to Cabinet and seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council's financial regulations.

EQUALITY IMPLICATIONS

20. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and, as such, the

recommendations relating to an increase in capital allocations, will not impact directly on any group with protected characteristics, under the terms of the Equality Act 2010.

RISK MANAGEMENT

21. In the initial stages of any development, major capital projects will have significant uncertainties. For example, these may relate to the planning process, the views and interest of residents and stakeholders who must be consulted, ground conditions, or the costs of rectifying or demolishing existing buildings (e.g. the cost of asbestos removal). Construction companies and developers contracting with the Council which experience financial instability, particularly an issue following Covid-19 pandemic pressures, Brexit and the war in Ukraine and the impact of cost inflation. They may not be able to raise sufficient finance to cash flow operations, any potential insolvency process could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget, the Council could suffer direct financial loss and any defects or other issues may not be resolvable as anticipated. To mitigate the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible.
22. Large scale capital projects can operate in environments which are complex, turbulent, and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts and anticipating the slow emerging risks which can escalate rapidly are all necessary components of good capital programme risk management.
23. The impact to councils of the Grenfell Tower fire are yet to be fully established. It is certain that many councils are/will be undertaking property reviews to determine the levels of improvements required to ensure fire safety arrangements within their buildings meet both the expectations of the residents and that they comply with building regulations and other statutory duties.
24. The Fire Safety Act 2021 (the Act) received Royal Assent on 29 April 2021 and commenced on 16 May 2022. The Act amended the Regulatory Reform (Fire Safety) Order 2005 (the Fire Safety Order). The Act confirms that responsible persons (RPs) for multi-occupied residential buildings must assess, manage and put in place measures to reduce the risk of fire for the structure and external walls of the building, including cladding, balconies and windows, and entrance doors to individual flats that open into common parts.
25. The Dame Judith Hackitt independent review of fire safety, following the Grenfell tragedy, recognises that High Rise Residential Buildings (10 Storeys and above) are a special risk where layers of fire protection must be put in place so as to reduce the risk to as low as reasonably possible, however reducing the risk for all residential accommodation is fundamental. This process is on-going and must be continually reviewed at least annually.

26. All works must comply with the Construction (Design and Management) Regulations. The Council must appoint a Principal Designer and Principal Contractor with the necessary and demonstrable expertise and competence.
27. Proposals set out in this report seek to comply with the Council's legal duties.
28. The report sets out the ongoing economic uncertainty, including the potential for further interest rate rises to be agreed by the Bank of England, and identifies actions which will, in part, mitigate this risk.
29. Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 15 August 2022

VAT IMPLICATIONS

30. The Council needs to carefully consider its VAT partial exemption calculation and the risk of breaching the partial exemption threshold. Capital projects represent the bulk of this risk. A breach would likely cost the Council between £2-£3m per year whilst in breach. Finance are working closely with departments to ensure that partial exemption risks are considered as part of significant capital projects. Further detail on the Council's partial exemption is included in Appendix 4.
31. Implications verified by: Joanna Monaghan, Principal Accountant (Taxation), Corporate Finance, 11 August 2022.

LIST OF APPENDICES:

Appendix 1 – Detailed capital budget, spend and variation analysis by department

Appendix 2 – Analysis of budget variations

Appendix 3 – Capital receipts forecast

Appendix 4 – VAT partial exemption

Appendix 5 – Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP)

Appendix 6- 11 Farm Lane -additional budget request

Appendix 1 – Detailed capital budget, spend and variation analysis by department

Children's Services	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 to Q2)					Revised Budget 2022/23 (Q2)	2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
	Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary										
SEN sufficiency	721	-	-	-	-	721	650	-	-	1,371
Foster carers' extension	184	-	-	-	-	184	-	-	-	184
Caretakers' lodges	15	-	-	-	-	15	-	-	-	15
School Maintenance Programme	5,374	-	-	-	-	5,374	2,929	-	-	8,303
Total Expenditure	6,294	-	-	-	-	6,294	3,579	-	-	9,873
Capital Financing Summary										
Specific/External or Other Financing										
Capital Grants from Central Government	6,110	-	-	-	-	6,110	3,579	-	-	9,689
Sub-total - Specific or Other Financing	6,110	-	-	-	-	6,110	3,579	-	-	9,689
Mainstream Financing (Internal Council Resource)										
Capital Receipts	42	-	-	-	-	42	-	-	-	42
Sub-total - Mainstream Funding	42	-	-	-	-	42	-	-	-	42
Borrowing	142	-	-	-	-	142	-	-	-	142
Total Capital Financing	6,294	-	-	-	-	6,294	3,579	-	-	9,873

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Social Care Services	Current Year Programme					Indicative Future Years Analysis			Total Budget (All years) £'000
	Analysis of Movements (Q1 to Q2)					2023/24 Budget £'000	2024/25 Budget £'000	2025/26 Budget £'000	
	Revised Budget 2022/23 (Q1) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000				
Scheme Expenditure Summary									
Extra Care New Build project (Adults' Personal Social Services Grant)	957	-	-	-	-	957	-	-	957
Disabled Facilities Grant	1,308	-	-	-	-	1,308	-	-	1,308
Transforming Care (Winterbourne Grant)	300	-	-	-	-	300	-	-	300
Social Care Capital Projects	890	-	-	-	-	890	-	-	890
Total Expenditure	3,455	-	-	-	-	3,455	-	-	3,455
Capital Financing Summary									
Specific/External or Other Financing									
Capital Grants from Central Government	3,026	-	-	-	-	3,026	-	-	3,026
Capital Grants/Contributions from Non-departmental public bodies	300	-	-	-	-	300	-	-	300
Sub-total - Specific or Other Financing	3,326	-	-	-	-	3,326	-	-	3,326
Borrowing	129	-	-	-	-	129	-	-	129
Total Capital Financing	3,455	-	-	-	-	3,455	-	-	3,455

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Environment Department	Current Year Programme					Indicative Future Years Analysis			
Analysis of Movements (Q1 to Q2)									
Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2022/23 (Q2)	2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary									
Footways and Carriageways	2,560	-	-	-	2,560	2,030	2,030	2,030	8,650
Transport For London Schemes	572	-	854	-	1,426	-	-	-	1,426
Column Replacement	363	-	-	-	363	346	346	346	1,401
Capital Investment in Street Lighting	665	-	-	-	665	-	-	-	665
Electric Vehicle Infrastructure	3,269	-	-	-	3,269	-	-	-	3,269
Other Highways Capital Schemes	5,353	(2,775)	1,054	(1,721)	3,632	4,813	1,000	-	9,445
Hammersmith Bridge Existing Works	60	-	-	-	60	-	-	-	60
Hammersmith Bridge Stabilisation Works	8,330	-	-	-	8,330	-	-	-	8,330
Hammersmith Bridge Pre Restoration Works	3,500	-	-	-	3,500	-	-	-	3,500
Waste Collection and Disposal Projects	473	-	-	-	473	-	-	-	473
Public CCTV	1,410	-	-	-	1,410	1,370	1,135	1,139	5,054
Parks Projects	2,428	(429)	91	(338)	2,090	719	-	-	2,809
Leisure Centre Capital Investment	358	-	-	-	358	90	-	-	448
Total Expenditure	29,341	(3,204)	1,999	(1,205)	28,136	9,368	4,511	3,515	45,530

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Environment Department	Current Year Programme					Indicative Future Years Analysis				
Analysis of Movements (Q1 to Q2)						2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)	
Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2022/23 (Q2)					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Capital Financing Summary										
Specific/External or Other Financing										
Capital Grants from Central Government	7,402	-	146	-	146	7,548	-	-	-	7,548
Grants and Contributions from Private Developers (includes S106/S278)	6,817	(3,204)	895	3	(2,306)	4,511	5,532	1,000	-	11,043
Capital Grants/Contributions from Non-departmental public bodies	1,156	-	110	(91)	19	1,175	-	-	-	1,175
Capital Grants and Contributions from GLA	4,661	-	854	45	899	5,560	-	-	-	5,560
Sub-total - Specific or Other Financing	20,036	(3,204)	2,005	(43)	(1,242)	18,794	5,532	1,000	-	25,326
Mainstream Financing (Internal Council Resource)										
Capital Receipts	844	-	-	-	-	844	-	-	-	844
General Fund Revenue Account (revenue funding)	-	-	10	-	10	10	-	-	-	10
Use of Reserves	896	-	(16)	54	38	934	-	-	-	934
Sub-total - Mainstream Funding	1,740	-	(6)	54	48	1,788	-	-	-	1,788
Borrowing	7,565	-	-	(11)	(11)	7,554	3,836	3,511	3,515	18,416
Total Capital Financing	29,341	(3,204)	1,999	-	(1,205)	28,136	9,368	4,511	3,515	45,530

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Finance and Resources Department	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 to Q2)					Revised Budget 2022/23 (Q2)	2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
	Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary										
Invest to Save - Flexible Use of Capital Receipts	5,114	-	-	-	-	5,114	-	-	-	5,114
Investment in Digital Infrastructure	914	-	-	-	-	914	-	-	-	914
Business Intelligence Infrastructure	160	-	-	-	-	160	-	-	-	160
Total Expenditure	6,188	-	-	-	-	6,188	-	-	-	6,188
Capital Financing Summary										
Mainstream Financing (Internal Council Resource)										
Capital Receipts	5,274	-	-	-	-	5,274	-	-	-	5,274
Sub-total - Mainstream Funding	5,274	-	-	-	-	5,274	-	-	-	5,274
Borrowing	914	-	-	-	-	914	-	-	-	914
Total Capital Financing	6,188	-	-	-	-	6,188	-	-	-	6,188

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department General Fund Managed Schemes	Current Year Programme						Indicative Future Years Analysis			
	Analysis of Movements (Q1 to Q2)						2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
	Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2022/23 (Q2)				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary										
Civic Campus										
Hammersmith Town Hall Refurbishment	27,602	(11,188)	-	-	(11,188)	16,414	18,808	-	-	35,222
Acquisition of commercial units	21,488	(12,857)	-	-	(12,857)	8,631	41,197	-	-	49,828
Commercial Units- Cinema Fit Out	1,750	-	-	-	-	1,750	-	-	-	1,750
Equity Loan (Civic Campus)	9,858	6,611	-	-	6,611	16,469	-	-	-	16,469
Subtotal Civic Campus	60,698	(17,434)	-	-	(17,434)	43,264	60,005	-	-	103,269
Building Homes and Communities Strategy (GF sites)										
Education City Loan	22,000	835	-	-	835	22,835	14,711	930	524	39,000
Education City -Youth Facility	579	4,671	-	-	4,671	5,250	-	-	-	5,250
Farm Lane	591	(200)	300	-	100	691	200	-	-	891
Mund Street	2,000	(960)	-	-	(960)	1,040	905	479	511	2,935
Community Schools Programme	1,123	(202)	-	-	(202)	921	262	-	-	1,183
Investment in Affordable Housing-Lillie Road Site	1,000	184	-	-	184	1,184	100	-	-	1,284
Subtotal Building Homes and Communities Strategy (GF sites)	27,293	4,328	300	-	4,628	31,921	16,178	1,409	1,035	50,543
Other GF Capital Schemes managed by the Economy										
Sands End Community Centre	27	-	-	-	-	27	-	-	-	27
Planned Maintenance/DDA Programme	7,366	-	-	-	-	7,366	3,400	2,400	2,400	15,566
Carnwath Road	-	-	-	-	-	-	1,870	-	-	1,870
North End Road - Business Low Emissions Neighbourhood	160	-	-	-	-	160	-	-	-	160
North End Road - Good Growth Fund	1,741	-	-	-	-	1,741	-	-	-	1,741
WMC JV Exit Costs	1,857	-	-	-	-	1,857	-	-	-	1,857
Subtotal Other GF Capital Schemes managed by the Economy	11,151	-	-	-	-	11,151	5,270	2,400	2,400	21,221
Total Expenditure	99,142	(13,106)	300	-	(12,806)	86,336	81,453	3,809	3,435	175,033

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department General Fund Managed Schemes	Current Year Programme						Indicative Future Years Analysis			
	Analysis of Movements (Q1 to Q2)						2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
	Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2022/23 (Q2)				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Capital Financing Summary										
Specific/External or Other Financing										
Grants and Contributions from Private Developers (includes S106)	2,101	1,171	-	-	1,171	3,272	-	-	-	3,272
Community Infrastructure Levy (CIL)	10,673	-	-	-	-	10,673	-	-	-	10,673
Capital Grants/Contributions from Non-departmental public bodies	27	-	-	-	-	27	-	-	-	27
Capital Grants and Contributions from GLA Bodies	748	-	-	-	-	748	-	-	-	748
Sub-total - Specific or Other Financing	13,549	1,171	-	-	1,171	14,720	-	-	-	14,720
Mainstream Financing (Internal Council Resource)										
Capital Receipts (GF)	7,086	-	-	-	-	7,086	-	-	-	7,086
Sub-total - Mainstream Funding	7,086	-	-	-	-	7,086	-	-	-	7,086
GF Borrowing	78,507	(14,277)	300	-	(13,977)	64,530	81,453	3,809	3,435	153,227
Total Borrowing	78,507	(14,277)	300	-	(13,977)	64,530	81,453	3,809	3,435	153,227
Total Capital Financing	99,142	(13,106)	300	-	(12,806)	86,336	81,453	3,809	3,435	175,033

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department- HRA Capital Programme

Current Year Programme

Indicative Future Years Analysis

Analysis of Movements (Q1 to Q2)

Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2022/23 (Q2)	2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Scheme Expenditure Summary

HRA Asset Management and Compliance Programme

Pre Agreed Works	8,772	(173)	1,380	-	1,207	9,979	1,128	6,869	7,368	25,344
Fire Safety Compliance Programme	8,187	(1,922)	-	-	(1,922)	6,265	4,585	7,689	5,400	23,939
Fire Safety Complex Schemes	9,056	(5,115)	-	-	(5,115)	3,941	42,897	6,500	-	53,338
Lift Schemes	2,434	(1,229)	-	-	(1,229)	1,205	3,962	750	750	6,667
Boiler Schemes	2,960	-	-	-	-	2,960	4,970	6,140	4,370	18,440
Safety Works - Electrical	5,157	2,050	-	-	2,050	7,207	9,128	2,250	2,000	20,585
Safety Works	6,322	(2,163)	-	-	(2,163)	4,159	17,121	12,750	13,150	47,180
Void Works	3,447	(973)	20	-	(953)	2,494	3,015	1,200	1,200	7,909
Other Capital Improvements	5,675	45	35	282	362	6,037	4,304	1,861	1,050	13,252
Capitalised salaries	4,957	-	-	-	-	4,957	211	1,800	3,300	10,268
Capitalised repairs	7,752	-	-	-	-	7,752	4,040	4,070	3,500	19,362
Climate Emergency and Other future works	3,000	-	-	(282)	(282)	2,718	15,280	18,835	17,160	53,993
Allowance for program slippage for financial modeling purposes	(11,472)	9,480	-	-	9,480	(1,992)	(10,965)	1,968	1,793	(9,196)
Subtotal HRA Asset Management and Compliance Programme	56,247	-	1,435	-	1,435	57,682	99,676	72,682	61,041	291,081

Building Homes and Communities Strategy (HRA sites)

Homes & Communities Strategy	1,388	(68)	-	-	(68)	1,320	68	-	-	1,388
White City Estate Regeneration	1,447	(276)	-	-	(276)	1,171	582	542	310	2,605
Becklow Gardens	-	(1,458)	1,678	-	220	220	725	300	433	1,678
Barclay Close	-	(791)	901	-	110	110	456	155	180	901
Jepson House	-	(2,871)	3,201	-	330	330	1,575	615	681	3,201
The Grange	-	(1,513)	1,733	-	220	220	775	300	438	1,733
Old Laundry Yard	1,133	(1,062)	-	-	(1,062)	71	400	362	300	1,133
Education City- HRA element	14,173	(4,160)	-	-	(4,160)	10,013	18,935	29,740	2,832	61,520
Subtotal Building Homes and Communities Strategy (HRA sites)	18,141	(12,199)	7,513	-	(4,686)	13,455	23,516	32,014	5,174	74,159

Other HRA Capital Schemes

Housing Development Project	213	-	-	-	-	213	-	-	-	213
Stanhope Joint Venture	325	-	-	-	-	325	8,788	13,707	7,150	29,970
Affordable Housing Delivery Framework	2	-	-	-	-	2	-	-	-	2
Property Acquisition for Affordable Housing	242	-	-	-	-	242	-	-	-	242
Hartopp & Lannoy	2,095	-	-	-	-	2,095	30,661	25,773	939	59,468
Nourish Project (Good Growth Fund)	121	-	225	-	225	346	-	-	-	346
Subtotal Other HRA Capital Schemes	2,998	-	225	-	225	3,223	39,449	39,480	8,089	90,241
Total Expenditure	77,386	(12,199)	9,173	-	(3,026)	74,360	162,641	144,176	74,304	455,481

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department- HRA Capital Programme	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 to Q2)					Revised Budget 2022/23 (Q2)	2023/24 Budget	2024/25 Budget	2025/26 Budget	Total Budget (All years)
	Revised Budget 2022/23 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Capital Financing Summary										
Specific/External or Other Financing										
Capital Grants from Central Government	239	-	-	-	-	239	-	-	-	239
Contributions from leaseholders	1,598	-	-	-	-	1,598	1,811	1,449	931	5,789
Grants and Contributions from Private Developers (includes S106)	231	-	225	-	225	456	5,782	9,018	4,704	19,960
Capital Grants and Contributions from GLA Bodies	49	-	-	-	-	49	3,006	4,689	3,069	10,813
RtB GLA Ringfence	4,089	(1,387)	-	-	(1,387)	2,702	4,899	4,735	1,468	13,804
Sub-total - Specific or Other Financing	6,206	(1,387)	225	-	(1,162)	5,044	15,498	19,891	10,172	50,605
Mainstream Financing (Internal Council Resource)										
Capital Receipts (HRA)	827	-	-	1,820	1,820	2,647	6,786	6,947	27,087	43,467
Major Repairs Reserve (MRR) / Major Repairs Allowance	16,620	-	-	685	685	17,305	17,013	17,415	17,934	69,667
Capital Receipts (GF)	1,432	-	-	-	-	1,432	-	-	-	1,432
Sub-total - Mainstream Funding	18,879	-	-	2,505	2,505	21,384	23,799	24,362	45,021	114,566
Borrowing(HRA)	52,193	(10,812)	8,948	(2,505)	(4,369)	47,824	123,344	99,923	19,111	290,202
Borrowing (GF)	108	-	-	-	-	108	-	-	-	108
Total Capital Financing	77,386	(12,199)	9,173	-	(3,026)	74,360	162,641	144,176	74,304	455,481

Appendix 2 – Analysis of budget variations

Variation by department	Amount £000
Environment Department	
Transport for London (TfL) Schemes – additional budget to reflect external grant received	854
Other Highways Capital Schemes –budget adjustment to reflect additional approved S106 funding £1.054m and budget reprofiling to future years (£2.775m)	(1,721)
Parks Capital Projects – budget adjustment to reflect additional approved S106 funding (£91,000) and budget reprofiling (£429,000) to future years due to the project delays	(338)
Total Environment Department variations	(1,205)
General Fund schemes under Economy Department	
Hammersmith Town Hall Refurbishment – budget reprofiled to future years due to the incident on the site	(11,188)
Acquisition of Commercial Units- budget reprofiled to future years to reflect the revised cash flow forecast	(12,857)
Civic Campus Equity Loan - budget reprofiled from future years to reflect the revised cash flow forecast	6,611
Farm Lane – additional budget request £0.3m reprofiled to future years (£0.2m)	100
Mund Street – budget reprofiled to future years due to project delays	(960)
Lillie Road Site – budget reprofiled from future years to reflect current year's forecast spend commitments	184
Education City Youth Zone- budget reprofiled from future years to reflect the revised cash flow forecast	4,671
Education City Loan- budget brought forward from future years to reflect current cash flow forecast	835
Community Schools Programme - budget reprofiled to future years due to project delays	(202)
Total General Fund schemes under Economy Department variations	(12,806)
Economy Department (HRA) Schemes	
Education City – budget reprofiled to future years to reflect current cash flow forecast	(4,160)
Asset Management and Compliance Programme – additional budget request to fund pre agreed and void works	1,435
Homes and Communities Strategy – budget reprofiled due to delays in 50 Commonwealth Avenue project	(68)
Barclay Close/The Grange/Becklow Gardens /Jepson House- new budget approved by the Cabinet in July 2022 (£7.5m) and reprofiled to future years (£6.6m)	880
White City Estate Regeneration – budget reprofiled to future years due to the project delays	(276)
Nourish Project (Good Growth Fund)- additional budget to reflect approved s106 funding	225
Old Laundry Yard-budget reprofiled to future years due to project delays	(1,062)
Total Economy Department (HRA) variations	(3,026)
Total 2022/23 Q2 variations	(17,037)

Appendix 3 – General Fund Capital Receipts Forecast

Financial Year	Q2 2022/23
2022/23	£'000
Receipts b/f from 2021/22	1,454
Forecast capital receipts for the year	13,775
Cost of Sales (4%)	(551)
Total 2022/23	14,678

There is risk that the cost of sales will need to be written back to revenue should the actual sales not proceed.

Appendix 4 – VAT Partial Exemption

Partial exemption overview

In general, businesses cannot recover the VAT incurred on purchases made in connection with VAT exempt activities, for example, on capital expenditure on properties which are let or leased. However, under Section 33 of the VAT Act 1994, local authorities are able to recover VAT incurred in relation to VAT exempt activities, for example property transactions, as long as it forms “an insignificant proportion” of the total VAT incurred (input tax) in any year, taken to be 5% or less. Crucially, the de minimis limit is not an allowance; if the 5% threshold is exceeded then all exempt input tax is lost, not just the excess. A breach would likely cost the Council between £2-£3m per year whilst in breach.

LBHF Partial Exemption

The Council’s Partial Exemption position is currently being reviewed. When calculating the exempt input tax annually, the Council considers its revenue and capital activities separately. Revenue activities are more constant, their contribution to exempt input tax is projected to remain at £2.5m (the impact on the threshold being the VAT incurred on this amount, i.e. £0.54m). Exempt input tax relating to capital activities is more volatile and each project must be considered and judged individually. The Council has a number of capital projects, both in progress and in the pipeline, which could have significant partial exemption implications and finance officers are working closely with colleagues working on these projects to ensure that these risks are identified and mitigated where possible.

VAT Policy

The following policy is in place to manage the partial exemption position:

- In all cases of new or reprofiled projects, the VAT team and the Council’s tax accountant should be consulted in advance.
- Projects should be 'opted-to-tax' where this option is available and is of no financial disadvantage to the Council.

Appendix 5 - Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP)

1. The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. Table 1 below shows the Council's forecast total GF CFR for the period 2022/23-2025/26:

Table 1 - Forecast General Fund CFR 2022/23-2025/26 (Quarter 2)

GENERAL FUND CFR ANALYSIS	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
HEADLINE CFR EXCLUDING SELF FINANCING SCHEMES AND LOANS					
Opening Capital Finance Requirement (CFR)	122.16	128.91	151.04	178.51	181.92
Revenue Repayment of Debt (MRP)	(1.36)	(1.56)	(1.91)	(2.99)	(3.20)
Mainstream Programme (Surplus)/Shortfall	8.11	23.69	29.38	6.39	6.43
Closing Capital Finance Requirement (CFR)	128.91	151.04	178.51	181.92	185.14
SELF FINANCING SCHEMES AND LOANS					
	£m	£m	£m	£m	£m
Opening Capital Finance Requirement	21.51	28.66	78.34	134.25	133.27
Revenue Repayment of Debt (MRP)	(4.42)	-	-	(1.92)	(2.67)
In Year Borrowing	11.57	49.69	55.91	0.93	0.52
Closing Capital Finance Requirement	28.66	78.34	134.25	133.27	131.12
Finance leases/PFI/ Deferred costs of disposal	8.52	7.09	6.39	5.69	4.99
Total Closing GF CFR	166.09	236.47	319.15	320.87	321.25

2. The current forecast for the General Fund (GF) Headline CFR is £151m at the end of 2022/23 and £185.1m by the end of 2025/26. The increase in GF Headline CFR puts additional pressures on revenue budgets.
3. The Headline CFR figures exclude:
 - £32m equity loan to the Civic Campus programme
 - £63m investment in acquisition of Civic Campus commercial units
 - £39m development financing to EdCity Office Ltd
 - £1.75m Civic Campus Cinema Fit-Out

Whilst these will have an impact on the Council's CFR, it is assumed that all Minimum Revenue Payment (MRP) and interest costs will be fully reimbursed through grant contributions, the charging of a state-aid compliant interest rate, the loan repayment, commercial income or reduction in revenue costs (e.g. lease rental payments).

4. CFR movements related to these schemes are presented under "Self-Financing Schemes and Loans" heading in the Table 1. CFR for these schemes is forecast to increase by £49.6m to £78.3m in 2022/23 and to £131.1m by the end of 2025/26. Table 2 details the CFR movements regarding these schemes:

Table 2 - Self-financing schemes and loans CFR movements 2022/23-2025/26

	Revised Budget 2022/23 (Q1)	Variations (Q2)	Revised Budget 2022/23 (Q2)	Indicative Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure							
<i>Ad Hoc Schemes:</i>							
Education City -ARK loan	22,000	835	22,835	14,711	930	524	39,000
Acquisition of commercial units (Civic Campus) [ECD]	21,488	(12,857)	8,631	41,197	-	-	49,828
Commercial Units- Cinema Fit Out [ECD]	1,750		1,750	-	-	-	1,750
Equity Loan (Civic Campus) [ECD]	9,858	6,611	16,469	-	-	-	16,469
Total Mainstream Programmes	55,096	(5,411)	49,685	55,908	930	524	107,047
Financing							
Increase/(Decrease) in Borrowing	55,096	(5,411)	49,685	55,908	930	524	107,047
Total Financing	55,096	(5,411)	49,685	55,908	930	524	107,047

2. Minimum Revenue Provision (MRP) is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans). This is an annual revenue expense in a Council's budget. The MRP will, over time, reduce the CFR.

3. The statutory guidance issued by the Secretary of State (Ministry for Housing, Communities and Local Government) details the ways how MRP should be charged on various items of capital expenditure. MRP charges presented in the Table 1 follow this guidance and assume the following:
 - MRP charges are deferred for development projects until year after their completion. The rate charged is based on the estimated life of an asset (50 years for new developments).
 - MRP on rolling capital programmes and smaller scale ad hoc schemes is charged year after the expenditure incurs. The rate used is based on the weighted average life of an asset (proposed 2022/23 rate 3.28%).

Appendix 6 - 11 Farm Lane Redevelopment – Additional Budget Request

1. On 6th July 2020, Cabinet approved a capital budget of £1,269,947 to progress Farm Lane to LBHF's agreed development life-cycle gateway stages 2 – Planning (RIBA Stages 1 Review, 2 and 3), and, stage 3 – Procurement (RIBA Stage 4).
2. Officers require an adjustment to this project budget commitment, for an additional £300,000, to enable continued progression of the projects associated activities and tasks, up to and including LBHF's development gateway stage 3 – Procurement (RIBA Stage 4), at the enhanced 'aspirational' sustainability and Passivhaus standards – to be operationally net zero and support our Climate and Ecology Strategies transitional action plan targets.
3. This new budget is required to:
 - Proportionally increase the existing budget commitments to sufficient levels, to enable progression and delivery up to and including a full planning application (RIBA 3) and procurement of a main/principal contractor (RIBA 4).
 - Provide necessary funding to meet the uplift in costs associated with delivery of an enhanced scope and requirements for the scheme, which include an enhancement of associated professional fees, services, surveys and modelling, required to progress the remaining detailed design work the desired enhanced aspirational sustainability standards and achieve Passivhaus classic standards thereby, ensuring the proposed development is operationally net zero and supports our recently approved Climate and Ecology Strategy and agreed step change 'Homes, Buildings and Energy' (Theme 1: Council housing) action plan targets (Ref: H1.6 & H1.7).
 - Notwithstanding the above, this request also accommodates higher planning fees and implementation of a planning performance agreement (PPA) costs, along with an element of project contingency, thereby providing certainty to the projects delivery.
4. This will increase the total approved budget for the project from £1,269,947, to £1,569,947.
5. The new budget will be funded from General Fund borrowing. This will result in additional revenue costs with regards to interest charges of estimated £11,910 per annum. Once the scheme is fully approved, it is anticipated that these predevelopment as well as any future development costs will be appropriated to HRA therefore no MRP charges will be applicable.
6. Based on the current designs and the latest viability model, - with this additional budget accommodated - the project continues to demonstrate acceptable performance with regards to LBHF's agreed financial hurdles (NPV & IRR).

Agenda Item 11

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/01/2023

Subject: Housing Management Contracts

Report of: Cabinet Member for Housing and Homelessness, Councillor Frances Umeh

Report author: Mark Lowthian Director Housing Transformation

Responsible Director: Jon Pickstone, Strategic Director of Economy

SUMMARY

The Housing Management South Service delivers tenancy management services to council tenants in the south of the borough. The service includes signing-up new tenants, managing transfer and tenancy exits, supporting residents with wider housing issues e.g. anti-social behaviour, voids management and fire safety and compliance checks to support building safety in the borough. The service is part of our landlord's obligations to deliver safe, effective housing for residents.

In 2013 the Housing Management service was split in two and the service in the south of the borough was outsourced. It has since been delivered by Pinnacle PSG – the initial 10-year term of the contract is due to come to an end in June 2023. The Housing Management service in the North of the borough has continued to be delivered in-house (directly by LBHF) throughout this time.

This paper sets out the options reviewed for the Housing Management South service following the ending of the current contract. This includes longer-term extension of the current contract, in-sourcing the service, to re-unify the Housing Management service in to one team or carrying out a re-procurement exercise to continue with an outsourced service for the South area.

Cabinet is asked to consider the recommendation that the service is brought in-house and directly delivered by LBHF for the reasons outlined in this report.

RECOMMENDATIONS

1. To agree that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the insourcing of the Housing Management South service, to be directly delivered by LBHF, to start on 14th June 2023, at an anticipated cost of up to £8.3m across the first 5 years of delivery, which represents a comparable cost to the current outsourced contract.

3. To authorise and delegate authority to the Strategic Director of Economy to put in place a project development and mobilisation plan for the insourced Housing Management Service and any other appropriate agreements necessary to give effect to the decision in recommendation 1 above, including TUPE and any other termination provisions and also any required changes to structure and model within budget envelopes.

Wards Affected: Munster, Lillie, Fulham Town, Walham Green, Parsons Green and Sandford, Palace & Hurlingham, Sands End.

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The Housing Management Team will help build shared prosperity in the borough, both through providing employment opportunities for local residents – with a focus on local recruitment – and through a number of initiatives coordinated to support local council residents e.g. signposting to employment opportunities, benefits support etc.
Creating a compassionate council	<p>The Housing Management Team work front-line with council residents; directly delivering the service will mean the service can be tailored to the needs and preferences of residents and work closely with them to support their tenant journey.</p> <p>The team will be shaped to better meet council manifesto outcomes around housing through a new operating model, which focuses on tenancy sustainment outcome and visibility on estates.</p> <p>An in-house team will focus on developing safe and happy neighbourhoods through building a thorough knowledge of local patches and residents to inform localised interventions. It will help to link areas and individuals into cross council departments and third sector agencies as appropriate e.g. for support with repairs, fuel poverty, employment or anti-social behaviour issues.</p>
Doing things with local residents, not to them	The team will actively engage with residents through formal resident engagement forums, such as Housing Reps forum, and more informal engagement activities to ensure the service delivered is resident centric. A resident consultation exercise was carried out to understand resident views on the current and future delivery of the housing management service

	and 60% preferred to have the housing management service directly delivered by LBHF.
Being ruthlessly financially efficient	The proposal to deliver the service in-house demonstrates the service can be delivered at a comparable cost to the existing outsourced service, predominantly due to the management efficiencies which can be achieved. Having the service delivered as one team enables efficiencies and greater flexibility to respond to deliver further changes and potential savings in years to come as the Housing Transformation programme is implemented.
Taking pride in H&F	The current Housing Management North service delivered in-house has strong performance outcomes, and a culture of working closely with residents to deliver community events. Expanding this to the south of the borough will mean residents experience a high-quality tenancy management service, which supports them to have a good experience of housing in the borough and demonstrated the pride we take in this.
Rising to the challenge of the climate and ecological emergency	The team itself has a small carbon footprint – geographic patches reduce travel time, and often staff walk or travel by public transport around the borough. The intention would be to release the current office space used by the Housing Management South team, reducing the carbon impact associated with heating/using/maintaining building space and for the workforce to become more mobile, ‘touching down’ around the borough in appropriate locations. This also supports the reduction in use of paper/printing – with as much handled on-line as possible.

Financial Impact

Costs

An insourced Housing Management service is expected to cost £8.3m across the first 5 years of delivery.

This is in line with an estimated cost of continuing for a further 5 years with Pinnacle as the contractor (£8.3m), or with an estimated reprocured contract cost (£7.8m).

To assist with comparison, all costings include appropriate allowances for annual inflation and pay awards.

Options

The current net budget for the Pinnacle contract in 2022/23 is £1.429m (net of cost recovery for usage of IT, office space, and other minor running costs).

The estimated cost excluding redundancies to provide an insourced service is £1.6m in 2023/24 (Year 1). The estimated annual cost of contract continuation is also £1.6m.

The estimated year 1 cost of a reprocured contract is £1.5m. This option assumes that it would be possible to deliver savings on the existing contract.

There is no immediate saving expected from bringing the service in-house. There is the potential to deliver savings in the longer term subject to the successful delivery and benefits realised from the Housing Transformation Programme.

Other costs and risks

Potential redundancies are expected as part of the insourcing process as the total headcount of the reconfigured service will be lower. These one-off costs cannot be confirmed at this stage but are estimated to be up to £45,000 and will be incurred within the first two years of the new delivery arrangement. These costs are expected to be funded from the existing HRA redundancy annual budget of £100,000. Total redundancy spend will depend on the timing, number, and actual cost of redundancies across the HRA.

Finance officers have reviewed and approved the detailed cost analysis of the given options which are provided in Appendix 1 of this report.

The costings are subject to a number of assumptions on the level of future inflation and pay awards. There is a risk that the differential between these two cost drivers may be different in practice, and this could alter the cost comparison.

There is also a risk relating to the possibility of a pension deficit on transferred staff which the Council may be liable for, and this cannot be quantified at this stage.

Danny Rochford, Head of Finance (HRA & The Economy), 25 November 2022
Verified by Sukvinder Kalsi, Director of Finance, 22 December 2022.

Legal Implications

This report seeks approval to in-source the housing management service in the south of the borough. The current contract is with Pinnacle Housing Limited. The contract has a Commencement Date of 1st July 2013 and continues for ten years with an option for the Council to extend by up to 5 years. The contract comes to end automatically therefore on 30th June 2023 in the absence of any action to extend.

The in-sourcing of the contract constitutes a service provision change and therefore involves a transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') of the existing Pinnacle staff to the Council on their current terms and conditions. There are statutory and contractual duties to inform and consult staff on various matters relating to the transfer which will be managed by the Council's HR. The contract contains various post termination provisions around transferring back property to the Council, data, access keys, etc. There is also an obligation on Pinnacle to produce an Exit Strategy in order to ensure a smooth transfer.

The appropriate decision maker is the Cabinet

The decision is a Key Decision.

Angela Hogan, Chief Solicitor (Contracts and Procurement), 1st September 2022

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The Housing Management service is currently split into a North team, which is directly delivered by the council, and a South team which is outsourced and presently delivered by Pinnacle PSG.
2. The South element of the service was contracted out in June 2013 and the initial contract term of 10 years is due to come to an end on 30th June 2023.
3. The service was split, and the South element contracted out under a previous administration, as an exercise to compare the cost and quality of service delivery of an in-house and contracted housing management service. With a change of administration in 2014 outsourcing the North element of the service was not progressed.
4. The Housing Management South service delivers tenancy management services to approx. 6,500 properties in the south of the borough, The service includes:
 - Tenancy management support such as sign-up, transfer and exiting of tenancy agreements.
 - Support to access wider council services e.g. to deal with issues such as rent, benefits or repairs.
 - Housing related support for residents experiencing issues such as anti-social behaviour or domestic violence including multi-agency working.
 - An active role in voids management.
 - Fire safety support through regular communal safety and compliance checks and enforcement actions.
5. As the initial term of the contract is due to come to an end in June 2023 a comprehensive review has been undertaken, exploring the options for the next stage of delivery of the service.
6. The three options are:
 - A long-term extension of the current contract of up to 5 years.
 - A re-procurement process, continuing to outsource delivery of the service.

- To bring the service in-house and unify the housing management service as one team.
7. The full details of risks, benefits and costs of these options are outlined in the Appendix 1 Business Case. The key points which informed the recommendation to in-house the service are outlined below.

Option 1 (recommended): Bringing the service in-house

8. Key Benefits

The key benefits of in-housing this service to directly deliver it through one unified team are predominantly around improving service quality, through:

- Uniting the service into a one team structure which would ensure consistency of practice, process, and culture, meaning residents all across the borough interact with a single housing management service.
- An ability to respond dynamically and flexibly to the evolving Housing Transformation programme and other resident and council priorities, unrestrained by the contractual terms and conditions which make negotiating changes to outsourced contracts laborious, time-consuming and costly.
- A renewed focus on tenancy sustainment outcomes including early prevention measures to support residents to remain in their homes.
- Increased visibility on estates and amongst residents, improving communication and building effective working relationships which benefit residents, through manageable patch sizes.
- A focus on developing safe and happy neighbourhoods through building a thorough knowledge of local patches and residents to inform localised interventions and link areas and individuals in to cross council departments and third sector agencies as appropriate e.g. for support with repairs, fuel poverty, employment or anti-social behaviour issues.
- It has been identified by residents as their preferred option through the resident consultation exercise (further detail below).
- An in-house team can more easily flex tasks, change working practices and deliver additional savings, where identified, as the Housing Transformation programme is introduced and gradually changes the way front-line housing services are delivered.
- Significant expertise internally in running a housing management service as we already successfully directly deliver this service.

In addition the service is able to be delivered at a comparable cost to the existing outsourced contract, whilst delivering these additional quality benefits. Over the lifetime of the service it may indeed deliver additional efficiencies and savings subject to successful delivery and benefits realised of the Housing Transformation programme.

9. Key Risks

- Exposure to the risks associated with service transfer, including TUPE implications, and the potential that vacancies occur following a TUPE

process the requirement for HR expertise to support with this element. No additional resources have been costed for to manage the implementation, which will need to be covered within existing staff levels.

- Although there will be a condition of pension membership for the employees there may be a deficit of pension contributions at the time of termination, that the service may be liable for. An Actuarial report will be run to determine any potential implications.
- Individual staffing costs tend to be higher due to beneficial terms and conditions – however this is mitigated through the efficiencies delivered through a single service approach.
- Potential for there to be a lack of incentive to deliver strong outcomes in the absence of competition for service delivery. However, this has not proven to be the case in comparison of the current North and South services where performance is generally similar across the two in the last year, and indeed in some areas particularly around Fire Risk Assessments is better.

10. All the key risks will be managed through a dedicated project implementation team which will be established to deliver the project, with an overarching mobilisation plan. This team, made up of colleagues with Housing Management, HR and Project Management expertise, alongside a senior management sponsor will report regularly to SLT on the progress of the in-housing project against key milestones alongside a comprehensive risk, issues and action log.

11. Thorough scrutiny of TUPE information and comprehensive consultation exercises will take place to mitigate risks relating to TUPE with any issues relating to sickness or grievances for example picked up as early as possible in the process.

Option 2: Long-term extension of current contract

12. The current contract has the option to extend for up to a further 5 years.

13. Key Benefits:

- No (de)mobilisation required, which retains a stable service likely to maintain current performance.
- Known costs as costs would continue in line with existing, inflating annually in line with CPI inflation.
- The service is generally performing well, meeting the majority of performance measures, and the provider has a strong understanding of the borough, stock and residents due to their experience.

14. Key Risks:

- Limited ability to respond flexibly to a changing delivery model and structure through implementation of the Housing Transformation Programme which may change how our residents connect with our frontline housing services over time.
- Limited ability to respond to changing priorities of residents and the council – for example recently updated council manifesto commitments, as

contract changes can be laborious and time-consuming often requiring negotiation and variations.

- Maintenance of a two-team structure to deliver one service which inevitably results in a lack of consistency of practice, approach, and culture.
- Lack of opportunity to rationalise patch sizes across the borough.

Option 2: Reprourement of the contract

15. Key Benefits:

- Opportunity to redefine the scope of the service to bring it in to line with existing practice and priorities and to enable some elements of future proofing change in response to the Housing Transformation Programme.
- Likely to encourage competitive pricing and innovative delivery models through a wider test of the market, which could deliver some cost savings, although it is likely these would not be significant.
- Ability to introduce social value delivery expectations within the contract, leading to long-term delivery of social value commitments benefiting local communities.

16. Key Risks

- Limited ability to respond flexibly in terms of delivery model and structure to the ongoing implementation of the Housing Transformation Programme which will change how our residents connect with our frontline housing services over time.
- Maintenance of a two-team structure to deliver one service which inevitably results in a lack of consistency of practice, approach, and culture.
- Limited ability to respond to changing priorities of residents and the council, as contract changes can be laborious and time-consuming often requiring negotiation and variations, and can incur ask for additional cost.
- Pricing a service during a period of high inflation and economic uncertainty may induce bidders to price in high levels of risk, leading to increased prices.

Whilst a reprocured service could feasibly come in at a lower cost than an in-house delivered service – this would not be significant – and would likely come at the expense of the resident experience and overall service delivery.

17. Conclusion

The recommendation is that the Housing Management service is brought in-house and delivered as one team across the borough, as this approach will provide:

- Cost savings to the Housing Revenue Account.
- Consistency of practice, policy, culture and approach.
- Greater flexibility to respond to the needs of residents and the business.
- Greater resilience to large-scale incidents (e.g. power outages) sickness, absence and ad-hoc tasks through one larger team.

- Streamlining of data and performance monitoring to enable more evidence and data-based practice.

Resident Consultation

18. A resident consultation exercise was conducted throughout June and July 2022. Consultations were sent out via post and made available online from 1st July 2022 with a return date of 22nd July 2022, seeking residents' views on the scope and delivery model of a future service.

19. 331 responses to this consultation were received. Please see the full consultation analysis in annex

20. The headline findings from this exercise were:

- 60% of residents expressed a preference for the service to be delivered as one in-house team.
- 31% expressed no preference
- 9% expressed a preference for a contractor delivered service.

21. Some of the areas where residents felt the service was currently doing well included:

- Staff being approachable, helpful and compassionate;
- Regularly attending resident meetings;
- A cooperative and polite attitude to delivering the service;

22. Key improvements from the service that residents indicated they would like to see included:

- Improved and more regular communication particularly reporting back on actions after visits and responding to queries.
- Staff being more visible and with a clear outline of what the roles and responsibilities are.
- Issues being resolved more quickly with a more solution-focused service delivered.

23. Resident voice and co-production have been implemented via:

- Ensuring that both consultation packs were co-produced with the Estate Services Working Group (ESWG) before being sent out. These consultation packs were also shared with our Reading Group for review and comment. The ESWG terms of reference for Housing management monitoring stipulates that the group must consider the needs of all residents.
- Facilitating and encouraging the Disabled Persons Group (DPG) to be involved in work streams relating to insourcing and service design.

Social Value

24. The delivery of social value is now a cornerstone of contracts delivered for the council, benefiting local residents and communities.
25. In taking the Housing Management South service back in-house there will still be the expectation, and opportunity, to deliver a strong social value offering.
26. This will predominantly be delivered through:
- A focus on local recruitment for vacancies
 - Volunteering days focused on supporting local community projects on estates.
 - Being champions for local health and wellbeing
27. These were identified through the resident consultation as being important to local residents.

Delivering an in-house service

28. There is a strong vision in place for how a single in-house Housing Management service will be delivered. The attached Appendix 1 Business Case gives details on proposed structures, roles and responsibilities.
29. There is a great deal of expertise within the council to support with the bringing of the service in-house and the associated workstreams, including
- Subject matter experts in the form of Housing Management senior managers (e.g. Head of Neighbourhood Services and Neighbourhood Services Manager)
 - HR to support with TUPE transfers and staff consultations on structures.
 - Systems and Data team to support with IT requirements (which are minimal as the existing Pinnacle service already access our housing management systems and have LBHF issued laptops and phones).
 - Project management functions to support with the programming and managing of the implementation project.
30. There are 4 anticipated workstreams which will comprise the implementation project – these are:
- Staffing, including TUPE transfer
 - IT and systems
 - Business processes
 - Resident communications
31. There will be approximately 5 months to deliver the project to in-house the service for a start date of June 2023.
32. An indicative plan for delivering the above workstreams is as follows:

Jan	Feb	Mar	Apr	May	Jun
Cabinet Decision					
Establish partnership approach	Staffing consultation		TUPE transfer and recruitment		
Adjusting business processes					
Design IT solution			Deliver IT requirements		
Comms on progress and timeframes			Targeted comms to residents affected		

33. The project implementation team, led by a senior project sponsor, will report regularly to SLT on progress against key milestones, and escalate key risks as required for resolution and decision.

34. Existing Housing Management North staff will be on hand to provide a 'buddying service' for transferring staff to support with induction, and regular communication sessions will be held across the entire staff team to ensure understanding and buy-in across the board.

Reasons for Decision

35. A decision is required to ensure continued delivery of a housing management service in the south of the borough following the end of the existing contract in June 2023, ensuring that LBHF fulfil their obligations as landlord to our residents.

36. It is recommended that the service is delivered in-house from July 2023 for the reasons that this is deemed to represent the best solution for service delivery based on it being the most cost-effective option whilst additionally being able to deliver a high-quality service, responsive to the needs of residents and the council.

Equality Implications

37. In-sourcing the Housing Management South Team would have no impact on the general housing management practice, processes and procedures (including approaches to equality, diversity and inclusion) as these are consistent across both LBHFs existing in-house and outsourced housing management service models. In terms of general provision of housing management services for residents therefore there would be a short-term neutral impact on equalities issues. Longer term the vision for the service includes gaining a better understanding of the customer profile including their characteristics, vulnerabilities and support needs to enable tailoring or sign-posting appropriate services.

38. An effective, multi-channel communications plan will need to be implemented to ensure all residents understand the changes to be made and any direct impact this has on their Housing Officer, and how to contact the team.

39. New models for how housing staff engage with residents as part of the Housing Transformation programme will help to mitigate this, as will the proposed

introduction of a small team of Resident Support Officers to deal with 'front door queries'.

40. With these mitigations accessibility for residents should be maintained or enhanced, and indeed the model will support more time out on estates for Housing Officers which should strengthen visibility and access for residents who may prefer face to face sessions in their home or local community e.g. due to mobility issues.
41. The proposed reorganisation will also have an impact on the staff team. Full and compliant staff consultation processes will be carried out with HR support with a transparent approach to enable individuals to make the most appropriate choices and protected characteristics will be considered throughout the process. An updated Equalities Impact Assessment for the reorganisation of the service will be completed nearer the time when full, up to date, staffing information is available.

Implications completed by Emma Lucas, 05 October 2022

Risk Management Implications

42. The report recommends approval to bring the South Housing Management Service back in house when the current contract for the service ends in June 2023. The business case sets out costings for the new in-house service, along with associated costs relating to exit from the contract when it expires. The business case identifies risks and mitigations associated with all three options considered, with key benefits and key risks also being identified in this report. Given the anticipated savings and efficiencies identified in the business case, the proposal is intended to both improve the consistency and quality of service to tenants and meet the objective of being ruthlessly financially efficient.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 21 September 2022.

Climate and Ecological Emergency Implications

The service will continue to aim to minimise its carbon footprint and align with moves to carbon net zero. This will particularly be through release of the existing south office space, reducing the energy usage associated with permanent occupation of the building.

Moving to a more mobile workforce which takes advantages of existing community space to 'touch down' work will support reduction of energy use and promote paperless working.

In addition, the team will continue to be encouraged to walk and use public transport to move around the borough, reducing congestion and pollution on local estates.

The team uses minimal products and resources but where these are used e.g. for delivering community events, recyclable materials are prioritised for use.

Jim Cunningham, Climate Policy & Strategy Lead, 30 September 2022

Consultation

A comprehensive resident consultation has been carried out as part of this process with all residents due to be affected by the change contacted and given the opportunity to feedback. The consultation outcome is outlined in the main text of the above report.

LIST OF APPENDICES

Exempt Appendix 1: Delivering the Housing Management South Service

Report to: Cabinet

Date: 09/01/2023

Subject: Procurement Strategy for the Housing Caretaking Service

Report of: Cabinet Member for Housing and Homelessness, Councillor Frances Umeh

Report author: Mark Lowthian Director Housing Transformation

Responsible Director: Jon Pickstone, Strategic Director of Economy Dept

SUMMARY

The Housing Caretaking Service maintains clean, tidy and safe surroundings for residents in council housing stock across the borough through cleaning and inspection regimes to internal communal and shared external residential areas.

The existing service which has been delivered by Pinnacle since June 2013 was initially due to come to an end on 30th June 23. A short-term extension to this contract will be implemented with a revised contract end date of 30th March 24.

This paper sets out the options reviewed for the caretaking service following the ending of the current contract, which included longer-term extension of the current contract, in-housing the service or carrying out a re-procurement exercise.

Cabinet is asked to accept the recommendation that the service is re-procured via a Competitive Procedure with Negotiation, for a period of 5 years with up to 2 years extension, for the reasons outlined in this report.

RECOMMENDATIONS

1. To agree that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the reprocurement of the Housing Caretaking service, via a competitive procedure with negotiation, to start on 31st March 2024, for a period of 5 years with the option of up to 2 years extension, for an anticipated cost of up to £32,000,000.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Social value requirements will be set within the tender ensuring that at minimum social value of 10% of the value of the contract is delivered. Given the high value of the contract this will mean high levels of social value delivery required – this is likely to mean bidders focusing on local recruitment opportunities and spend through local supply chains which support the building of shared prosperity in the borough.
Creating a compassionate council	A high-quality caretaking service ensures that blocks and estates remain clean and tidy and helps to maintain a pleasant surrounding environment for residents. Providing a responsive service which flexibly meets the needs of residents demonstrates a compassionate approach.
Doing things with local residents, not to them	Resident consultation on the caretaking service has been carried out and the feedback received, both from a general consultation process and work with the Repairs and Estates Services Working Group, has shaped the scope and specification for the tender – to ensure that the service delivered is in line with resident expectations.
Being ruthlessly financially efficient	A competitive procurement process with negotiation should drive a strong value for money outcome, with the opportunity for initial bids submitted to be stress tested and negotiated with bidders to either increase offers or identify areas where costs could be decreased. Letting a 5-year contract will encourage competitive costs, due to the stability of a relatively long-term contract. In addition, we will make it clear from the outset that the successful bidder will need to be able to deliver clear and transparent breakdown of costs to enable appropriate service charge setting for residents, enabling the council to appropriately recoup the cost of the service through the caretaking service charge, maintaining cost neutrality of the service.
Taking pride in H&F	Delivering a high-quality caretaking service across housing stock keeps council home communal and shared spaces clean, safe and tidy and demonstrates the pride taken in the surroundings for residents.
Rising to the challenge of the climate and ecological emergency	The specification will outline the requirement for a sustainable and climate friendly service delivery, particularly in terms of chemical usage, and the

	requirement to deliver a green fleet, with bidders expected to outline how they will support the council reaching its target of net zero by 2030.
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Financial Impact

Expected costs

The report seeks an approval for the re-procurement of the Housing Caretaking service via a competitive procedure for a period of 5 years with the option of up to 2 years extension, for an anticipated cost of around £32m (including assumed CPI values), for the whole 7-year period.

This estimated contract value is based on a series of assumptions which include an allowance for inflation.

Budget and Financial Plan

The current year (2022/23) budget for caretaking and cleaning contract is £3.810m. The Housing Revenue Account (HRA) long-term financial plan assumes that the contract is ongoing and that the full cost of the contract including management and overheads will be recouped through service charges. This means the net cost to the HRA should be nil.

The current budget includes an element for variable costs of £0.562m which relates to an enhancement to the cleaning contract agreed during 2017/18 by the Strategic Director of Housing. These costs are variable as they are dependent on the actual cost of labour incurred in delivering the contract.

The estimated contract value of £32m over 7 years includes the additional cleaning charged through the variable element of the current contract.

This report is not intended to approve budgets but is seeking approval of the procurement strategy. A further report will be required to approve the appointment of a contractor and to set out the detailed financial implications. Should current budgets need to be realigned to reflect the outcome of the procurement process, this report will need to be approved by the appropriate decision maker in line with the financial regulations (as service charges will cover the full costs of the procurement, the expectation is that there would be no net impact on HRA budgets).

The short-term extension referred to in this report is expected to be funded from existing budgets.

Value for Money

Finance officers have supported service colleagues in modelling the financial implications of several options for reprocurement and an analysis of this is set out in the body of the report.

The detailed financial analysis completed (set out in Appendix 1) supports the recommendation to explore the reprocurement of the caretaking and cleaning contract.

Tenants and leaseholders will be consulted in the decision to reprocure given they will be required to pay for the service. This will include the potential impact on tenants and leaseholders in terms of increases in service charges.

Finance officers will support Estate Services colleagues in exploring the degree to which there is scope to remove the additional variable costs of the current contract from the expected value of the to be reprocured contract. This would constitute a £4.6m reduction in the current £32m procurement estimate for the contract over 7 years.

Financial risks

The current contract is subject to uplifts in line with CPI. Given the current levels of inflation in the economy and the possibility of this persisting, there is a risk that the costs of any re-procurement will increase significantly. This will result in higher charges to tenants and leaseholders with additional pressures on household budgets and the potential for a deterioration in income collection performance within the HRA.

Caretaking and cleaning expenditure is a recoverable cost through service charges, therefore it is important that annual uplifts of service charges are in line with expenditure uplifts agreed in the contract so that the risk of any shortfall in the HRA is minimised. Additionally, any variation in the level of service or configuration of the service which affects the cost of the contract and / or any variation in the cost of internal overheads and management costs will need to be considered in order to maintain cost neutrality for the HRA.

Completed by: Danny Rochford, Head of Finance, 21 Sep 2022

Verified by Andre Mark, Head of Finance, 21 Sept 2022:

Legal Implications

This report seeks approval for the procurement strategy in respect of a new caretaking services contract. The recommended strategy is for a competitive procedure with negotiation. This procedure fulfils the requirements of the Public Contracts Regulations 2015. It is also compliant with the requirements of the Council's Contract Standing Orders provided the Head of Procurement approves the use of this procedure.

The decision is a Key Decision (see Article 12 of the [Constitution](#)) and the report must be submitted to Committee Services for publication on the Council's website.

The appropriate decision maker is the Cabinet.

Angela Hogan, Chief Solicitor, Contracts and Procurement, 30 August 2022

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The caretaking service is delivered across the council housing stock in the borough, including low, medium and high-rise blocks, gap sites and sheltered housing as well as some communal grounds e.g. play areas and car parks. It delivers a service to over 250 sites in the borough and around 13,500 properties are in receipt of some form of caretaking service (approximately 72% of properties are tenanted and 28% of properties are leasehold).
2. The fundamental purpose of the service is to maintain clean, tidy, and safe surroundings for residents, both in internal communal, and shared external areas.
3. This includes wide-ranging activities such as regular cleaning of communal areas, litter picking, removal of graffiti, lift safety checks, opening of playgrounds and in more recent years supporting fire safety initiatives such as removal of items from communal areas.
4. Pinnacle's contract commenced on 30th June 2013 for an initial contract period of ten years, with an option to extend for up to another five years. The contract will be extended until 30th March 2024, (this extension is covered in a separate report) to enable time for a comprehensive re-procurement and mobilisation period. The reasoning behind not extending the existing contract for the full 5 years is outlined further below.
5. As part of the exploration of the best option for the ongoing delivery of the housing caretaking service from 2023 onwards the following three options were analysed, all of which are covered in more detail in the attached Appendix 1:
 - Long-term contract extension (five years).
 - Insourcing the service to deliver direct.
 - Reprocurement of the service.
6. These options were considered in the context of:
 - The need for an updated scope and specification for the service – given that the existing service started 10 years ago, there have been a number of changes in the wider landscape which mean the current specification is not wholly fit for purpose, for example:
 - i. Service gaps, including cleans of concierge offices, enhanced cleaning in sheltered housing and covid cleans (which are currently negotiated and paid for out of scope)
 - ii. Increased focus on fire safety initiatives in recent years which the service supports
 - iii. A greater requirement for regular preventative and specialist cleaning works.
 - The introduction of new council strategies, in particular the Social Value strategy (as the current contract pre-dates this strategy there are no social value obligations).

- The results from the resident consultation carried out in June/July 2022
- Cost and service charge considerations, given that the service will need to be fully funded through the residents' caretaking service charge.

Resident Consultation

7. An online and postal Housing Caretaking Consultation Survey has been conducted – with mailouts to all tenants and leaseholders in receipt of the caretaking service. The consultation sought resident views on the current outsourced service, the future specification for the service and the future delivery model.
8. The consultation was designed in collaboration with the resident Repairs and Estates Services Working Group
9. The consultation was sent to residents on 1st July 2022 and remained open for feedback until 22nd July 2022.
10. In addition, consultation was held with both the Repairs and Estates Services Working Group and the Housing Reps Forum
11. 1030 individual responses were received. 524 (51%) were received by online return and 506 (49%) were received by postal return.
12. This represents an 8% response rate. The feedback analysis report regards this response rate as typical for consultations.
13. Highlight results were as follows:
 - 52% of residents expressed a preference for the council to directly deliver the service
 - 12% of residents expressed a preference for a contractor to deliver the service
 - 36% of residents expressed no preference for who delivers the service

Although there was a small preference for direct delivery, for the reasons set out in this report the recommendation is to pursue a competitive tendering exercise for service provider delivery.
14. In addition, residents highlighted local employment and apprenticeship opportunities, supporting community groups through volunteering and extra support for sheltered housing residents as particular areas of social value they would like to see delivered in a future service.
15. In terms of resident representation, we have a resident-led Estate Services Working Group (ESWG) who co-produce improvements and enhancements on estates and monitor all estate service provision. The ESWG reports to the Housing Representatives Forum which is the central body for all TRAs to meet and work with each other and officers and therefore representation is multi-layered and far-reaching.

16. To support co-production, the Disabled Residents Housing Strategy Implementation Group (DRHSIG) will be encouraged to participate in future discussions. The DRHSIG strategy lists an objective to increase “disabled residents’ participation through our resident involvement work to shape and influence housing service.
17. As well the direct involvement of DRHSIG members, this group strengthens and widens co-production further as the DRHSIG actively encourage other disabled residents to take part too.

Service Charges

1. Tenants and leaseholders who receive a caretaking service pay for this through a specific caretaking service charge. Historically the cost recouped from residents has not fully covered the cost of delivering the service but throughout Summer-Autumn 2022 a ‘service charge normalisation’ exercise was carried out to explore bringing service charges, including the caretaking charge, in line with the cost of delivery of the service.
2. This exercise has brought forward proposed changes to existing service charges which are the subject of a separate Cabinet paper.
3. The principle moving forward following this exercise would be that the caretaking service charge for residents accurately reflects and covers the cost of delivery of the service, as this is the only cost sustainable way to maintain the service.
4. As such all of the options outlined for the ongoing delivery of this service were assessed on their likely cost and potential impact this would have on residents’ individual service charge costs. Details on the potential cost impact on average service charges is outlined in Appendix 1.
5. It is worth noting that these considerations are taking place at a time when high inflation, and ongoing energy price rises are placing pressures on the day-to-day cost of living for many people.

Option 1: Long-term contract extension

6. The current Pinnacle PSG contract has the option of an extension of up to 5 years taking it through to June 2028.
7. A comprehensive set of benefits and risks of this (and all) option(s) are outlined in the attached Appendix 1 Business Case, but a summary of the most relevant points are described below.
8. Key Benefits:
 - Extending the contract would be the least labour-intensive option, with no procurement or (de)mobilisation period required – the latter of which can be times of lower performance levels.

- The provider has a strong understanding of the council, stock and service and is generally performing to acceptable levels.
- Contract costs are known – although they would continue to rise in line with CPI annually.

9. Key Risks:

- The service is 10 years old and there are gaps in the current scope and specification. Additional scopes of work would need to be varied into the contract, through negotiation with the existing provider, likely at additional cost. There will not be the incentive to offer best prices or value for this given the lack of a competitive exercise.
- The service has no contractual social value commitments associated with it and following Legal advice we would not be able to vary these in at this point. Given the high value of the contract this could lead to the loss of £2million + of social value delivery across the next 5 years.
- The current contract pre-dates the London Living Wage Accreditation of Hammersmith & Fulham and a number of employees do not receive the LLW. Requiring an uprate to LLW as part of a long-term extension without the incentive to deliver value through a competitive exercise could lead to unnecessarily increased cost.

Option 2: In-housing the service

10. Prior to the caretaking service being outsourced in June 2013 it was directly delivered by LBHF employees, and there is the option to bring this service back in-house and once again directly deliver it for residents.

11. Key Benefits: There are numerous benefits to delivering an in-house caretaking service, particularly around service quality and performance.

- Ability to be flexible in response to the needs and preferences of residents and the borough, redeploying resources and refocusing effort without the constraints of contractual terms and conditions.
- Ability to directly control performance and make changes quickly to address any areas of under-performance, or indeed build on areas of positive performance.
- Ability to deliver efficiencies and synergies with other in-house estate-based services, including the repairs DLO and Housing Management team (which include estate compliance roles) to reduce fragmentation, improve joined-up working and increasingly direct deliver estate-based services.

12. Key Risks:

- Cost: The modelled cost of delivering an in-house caretaking service is significantly more expensive than modelled outsourcing costs due to increased base staffing costs and the HRA recharge overheads. This option is more expensive in total to deliver and would have a disproportionate impact on resident's service charges.

- The council has not directly delivered a caretaking service on housing estates for 10 years, and whilst there is a strong client management team in place with a good understanding of the service, there would be the need to develop operational delivery expertise and establish new supply chains.
- This would require a large-scale TUPE exercise of over 100 employees.
- Direct exposure to the risks of the market including cost and wage inflation.

Option 3: Re-procuring the contract (recommended option)

13. Key Benefits:

- Opportunity to update the service scope and specification to align with current service requirements and resident preferences. The resident consultation carried out will inform the scope and specification.
- An invite to the wider market to bid should increase the likelihood of competitive costings and innovative solutions being proposed to produce a high quality but competitively costed service.
- Opportunity to introduce social value commitments in line with the council's Social Value strategy which could see up to £2million social value delivered across a 5-year period.

14. Key Risks:

- There is no guarantee of savings or cost parity being delivered by a procurement exercise, and so costs are predicted rather than known at this point. Bidders are likely to be bidding during a climate of high inflation and long-term economic uncertainty which may lead them to price in higher levels of risk into their bids.
- Should a new provider be appointed to deliver the service this will result in the need to (de)mobilise the service and these can typically be times of lower performance.
- The service will continue to be constrained by the contractual terms and conditions set, which will impact its ability to flex to changes in the council landscape in the longer-term.

15. Following the review of the above options (which are more extensively outlined in the Appendix 1 Business Case), it is recommended that Option 3: Re-procuring the contract is taken forward and implemented as it is deemed to be most likely to be cost-effective whilst delivering the outcomes required.

Procurement Options

16. There are a number of options as to how the procurement exercise for this service could be conducted. As the value of the service is above threshold it will need to be carried out in line with the procurement regulations. The options considered are:

Option 1: Open tender

17. An open tender would enable a wide range of bidders to submit a full tender.

18. However, given the size of the contract, this is likely to be a substantial tender with large amounts of information and method statements required. An open tender may deliver too many bids without a rigorous initial quality screening and does not provide any opportunity to negotiate on the bids to produce innovative solutions to ensure best value and make sure the service offer best reflects the requirements.

Option 2: Restricted tender

19. A restricted tender would enable an initial quality screening through a selection questionnaire and then a set number of tenders invited from the highest performing bidders.

20. This would ensure effort is focused on the highest performing bidders and enable a thorough full tender exercise. However, as above there would be no opportunity to scrutinise the tenders with the ability to negotiate on certain points to foster innovative solutions to ensure best value.

Option 3: Competitive tender with negotiation (recommended)

21. This is an extended version of the restricted procedure outlined above with the additional benefit of a negotiation stage. This means the council will be able to scrutinise the initial tenders submitted and hold negotiation sessions with the bidders prior to the submission of final tenders.

22. This is the recommended option to ensure that the final bids submitted best reflect the requirements of the service and deliver innovative solutions to ensure best value, given the fact this is a large, high value and strategically important contract.

23. The negotiation process will enable exploration of more innovative operational delivery models and material and equipment solutions to deliver best and added value and ensure sustainability of service.

Procurement Approach and Selection Criteria

24. The intention is to deliver a competitive procedure with negotiation which will incorporate the following stages:

- Selection Questionnaire to test minimum standards of bidders.
- Invitation to Submit Initial Tender – to assess bidders cost and quality.
- Negotiation stage – to focus on specific areas of bids and work with bidders to improve offers and identify areas to innovate in terms of service delivery.
- Invitation to Submit Final Tender – final assessment of cost and quality offering.

25. At each stage there will be limits to the number of bids invited through to the next stage as outlined below:

Selection Questionnaire	Unlimited
Invitation to Submit Initial Tender	Up to 5 bidders invited to this stage
Negotiation Stage	Up to 3 bidders invited to this stage
Invitation to Submit Final Tender	Up to 3 bidders invited to this stage

26. The Selection Questionnaire will predominantly be pass/fail with some additional technical ability questions which will be scored. Bidders will be ranked and up to 5 bidders (dependent on numbers of bids submitted) will be invited to submit an Initial Tender.
27. The initial tender exercise will be evaluated on a 60% quality, 40% price basis. Bidders will be ranked and up to 3 bidders will be invited to the negotiation and final tender stage.
28. Social value will be evaluated at 10% of the overall bid as per the council strategy (and therefore at this stage will have a 16.7% quality weighting).
29. The Final tender stage will be evaluated at 50% quality, 50% price to ensure best value and further incentivise competitive costing at this stage. Social value will continue to be evaluated at 10% of the overall bid (and therefore at this stage will have a 20% quality weighting).
30. Working the quality: price ratio in this way should ensure that the high-quality bids are prioritised for progression to the latter stages of the tendering process, at which point bidders will be additionally incentivised to deliver competitive pricing.

Contract Monitoring and Management

31. Once the contract has been awarded, a range of measures will be taken to ensure quality is monitored (via quality assurance) and managed (via quality control).
32. In relation to quality assurance, the contract will be monitored and managed by the Housing Estates Team via the processes set out in the contract terms and conditions and the contract KPI schedule. In relation to the process, the KPI schedule currently consists of eight 'SMART' KPI's which assess contractor performance in the following areas: health and safety, quality, customer satisfaction, complaints, time to respond, resource management. On a monthly basis, the housing estates team will use desktop and site monitoring to monitor performance. Findings and issues will then be discussed/resolved through working with the supplier at monthly contract management meetings. The only exception to this process is the KPI for customer satisfaction. This KPI will be monitored annually via the customer satisfaction survey.
33. Regarding quality control processes, underperformance against KPI targets will attract performance failure points. From year two onwards, the total of these points may result in a financial penalty being applied to the contract (up to 2% of the annual contract fee per KPI not met). Alongside this, KPI failure

and performance improvement will also be managed via contract default notices and supplier improvement plans.

34. It is important to note that this schedule is currently in draft stage and the final version is subject to review by the resident led Estate Services Working Group who have inputted and co-produced with officers.

Social Value

35. Social value will be a requirement of the tender with bidders expected to commit a minimum of 10% social value delivery against their submitted overall contract value.

36. At this point the council has not prescribed what social value outcomes should be and it will be at the bidders' discretion to outline what they are able to deliver.

37. However, the negotiation stage will provide an opportunity to scrutinise social value offers in detail with bidders and develop these to provide best outcomes for the council.

38. As outlined above social value will be evaluated at 10% of the overall evaluation score at both stages.

39. The successful bidder will be expected to register with the Social Value Portal for monitoring of social value delivery.

Reasons for Decision

- A solution for the caretaking service needs to be put in place following the ending of the extended contract in March 2024.
- A procurement via a competitive tender with negotiation is deemed to enable the best value and delivery model to successfully deliver the service in the medium term.

Equality Implications

- There are no negative equality implications noted from completing the impact assessment. Having an effective caretaking/cleaning service should ensure that communal areas remain clean, safe, and free from potential hazards, which could disproportionately affect residents who have reduced mobility/stability and are at a greater risk from falls.

Risk Management Implications

40. The report recommends undertaking a competitive procedure with negotiation to lead to the award of a new long-term contract for this service. This is in line with the Council objective of being ruthlessly financially efficient and will also

enable the service specification to be brought up to date to meet the needs of residents and to deliver social value benefits through a new contract.

41. A detailed assessment of the risks and proposed mitigations relating to each of the three service delivery options set out in this report is included in the detailed business case which is set out in Appendix 1.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 1 September 2022

Climate and Ecological Emergency Implications

- An updated service specification for this contract will have an increased focus on sustainability. This will include a requirement to have a green fleet in place of petrol/diesel vehicles and to reduce vehicle usage where possible (e.g. through geographic patches, greater sharing of vehicles etc), and electric/battery powered equipment where applicable.
- Bidders will also be assessed on their general approach to sustainability, in terms of sourcing materials and equipment and how the lifespan of these are maximised through regular care and maintenance to ensure minimal replacement.
- Use of cleaning products/chemicals will be required to be as environmentally friendly as possible whilst still being appropriate for the services required.
- Whilst social value commitments will not be prescribed within the tender it is likely that some commitments will relate to supporting climate friendly initiatives and projects across estates.

Verified by: Hinesh Mehta, Head of Climate Change, hinesh.mehta@lbhf.gov.uk, 31st August 2022

Information Management

- No IT implications are considered to arise from this report. If during procurement the use of IT or other technologies are proposed, Digital Services should be consulted.
- IM Implications: A Data Privacy Impact Assessment (DPIA) will need to be completed to ensure that all the potential data protection risks around any new contract are properly assessed with mitigating actions agreed and implemented.

Implications completed by: Cinar Altun, Strategic Relationship Manager, Digital Services

Local Economy and Social Value Implications

- Paragraph 42 in this strategy commits the procurement will adhere to the Social Value Policy approved by Cabinet on 11th May 2020 and effective from 15th May 2020. Social Value should be a part of the award criteria and will make up a minimum of 10% of the overall assessment as noted in paragraph 45. Social value key performance indicators (KPIs) should be part of the contract terms. To be considered, bids will include a proxy social value amount that is a minimum of 10% of the price quoted in the bid as noted in paragraph 42.
- Paragraph 12 outlines the preferred social value contributions in the resident consultation. Residents highlighted local employment and apprenticeship opportunities as desired. These contributions should not add to the cost of the contract. In addition, it is noted that supporting community groups through volunteering and extra support for sheltered housing residents as particular areas of social value they would like to see delivered in a future service. The menu of social value measures (“TOMs”) may be tailored to steer bidders to measures desired. However, paragraph 43 notes that this strategy will not prescribe social value outcomes.
- Bidders will be required to register on Social Value Portal to enter social value quantitative responses. The successful bidder for each contract is responsible for paying the Social Value Portal management fee for the term of the contract as noted in paragraph 46.
- It is advised that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to compensation if social value commitments are not delivered.

Comments added by Paul Clarke, Economic Development Officer, 30, August 2022

Consultation

- Comprehensive resident consultation has taken place as part of the approach to inform the ongoing delivery approach of this service as part of our commitment to ‘doing things with not to residents’. Headline figures have been included in the body of the report.

LIST OF APPENDICES

Appendix 1: Caretaking Service Business Case EXEMPT



NOTICE OF CONSIDERATION OF A KEY DECISION

In accordance with paragraph 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Authority hereby gives notice of Key Decisions which the Cabinet, Cabinet Members or Chief Officers intend to consider. The list may change from the date of publication as further items may be entered.

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

The Authority also hereby gives notice in accordance with paragraph 5 of the above Regulations that it may meet in private to consider Key Decisions going to a Cabinet meeting which may contain confidential or exempt information.

Reports relating to Cabinet key decisions which may be considered in private are indicated in the list of Cabinet Key Decisions below, with the reasons for the decision being made in private. Any person is able to make representations to the Cabinet if he/she believes the Cabinet decision should instead be made in the public at the Cabinet meeting. If you want to make such representations, please e-mail Katia Neale on katia.neale@lbhf.gov.uk. You will then be sent a response in reply to your representations. Both your representations and the Executive's response will be published on the Council's website at least 5 working days before the Cabinet meeting.

KEY DECISIONS PROPOSED TO BE MADE BY THE AUTHORITY FROM JANUARY UNTIL APRIL 2023

The following is a list of Key Decisions which the Authority proposes to take from January 2023. The list may change over the next few weeks.

KEY DECISIONS are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant (ie. in excess of £300,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising two or more wards in the borough;
- Anything affecting the budget and policy framework set by the Council.

The Key Decisions List will be updated and published on the Council's website at least on a monthly basis.

NB: Key Decisions will generally be taken by the Executive at the Cabinet, by a Cabinet Member or by a Chief Officer.

*If you have any queries on this Key Decisions List, please contact
Katia Neale on 07776 672 956 or by e-mail to katia.neale@lbhf.gov.uk*

Access to Key Decision reports and other relevant documents

Key Decision reports and documents relevant to matters to be considered at the Authority by Cabinet only, will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the Cabinet meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 4 of the list below.

Decisions

All Key Decisions will be subject to a 3-day call-in before they can be implemented, unless called in by Councillors.

Making your Views Heard

You can comment on any of the items in this list by contacting the officer shown in column 4. You can also submit a deputation to the Cabinet related to Cabinet Key Decisions only. Full details of how to do this (and the date by which a deputation must be submitted) will be shown in the Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM CABINET

Leader	Councillor Stephen Cowan
Deputy Leader	Councillor Ben Coleman
Cabinet Member for Children and Education	Councillor Alexandra Sanderson
Cabinet Member for Civic Renewal	Councillor Bora Kwon
Cabinet Member for Climate Change and Ecology	Councillor Wesley Harcourt
Cabinet Member for Economy	Councillor Andrew Jones
Cabinet Member for Finance and Reform	Councillor Rowan Ree
Cabinet Member for Housing and Homelessness	Councillor Frances Umeh
Cabinet Member for Public Realm	Councillor Sharon Holder
Cabinet Member for Social Inclusion and Community Safety	Councillor Rebecca Harvey

Key Decisions List No. 122 (published 22 December 2022)

KEY DECISIONS LIST – FROM JANAUARY 2023

The list also includes decisions proposed to be made by future Cabinet meetings

Where column 3 shows a report as EXEMPT, the report for this proposed decision will be considered at the private Cabinet meeting. Anybody may make representations to the Cabinet to the effect that the report should be considered at the open Cabinet meeting (see above).

* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be Made by	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
CABINET MEMBER AND OFFICER DECISIONS				
Finance				
Cabinet Member for Housing and Homelessness	January 2023	Replacement of Spandrel Panels (Medium and Low Risk Properties) Replacement of Spandrel Panels at the identified properties covering the stripping out of existing panels and renewing panels including carrying out, as required, all associated works.	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Contact officer: Dominic D Souza Dominic.DSouza@lbhf.gov.uk			
Cabinet Member for Social Inclusion and Community Safety	January 2023	Third Sector Investment Fund Report to agree forward plan for 3SIF.	Cabinet Member for Social Inclusion and Community Safety	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Contact officer: Katharina Herrmann Katharina.Herrmann@lbhf.gov.uk			

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Strategic Director of Social Care	January 2023	Public Health Budget Approval - Primary Care Activity Budget approval report for public health funded services within primary care from April 2021- March 2024.	Deputy Leader, Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Chief Executive	January 2023	Collaborative Delivery Agreement Variation This workstream follows the January 2021 Cabinet report on disaggregation from LSCP and Placements. The January report contained a recommendation to delegate authority to the Chief Executive to make variations/extensions to the Collaborative Delivery Agreement from April 21 onwards - this report presents recommendations for both variation and extension.		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Strategic Director of the Economy Department	January 2023	Modification of construction Contract of 10 genuinely affordable new homes in Spring Vale Estate Report on the progress of the construction of the 10 new genuinely affordable homes in Spring Vale Estate (which is near completion) and request for approval of Variation of contracts connected to the construction.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s):	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Strategic Director for the Environment	January 2023	<p>Healthy School Streets- a public health approach to infrastructure on highways and air quality monitoring</p> <p>This report seeks approval to start a programme of low level infrastructure improvements on the public highway around schools, undertake air quality audits for a number of schools who are in areas of poor air quality (of which there are 28), install air quality monitors and deliver an education programme to schools about the projects with a focus on STEMs. This would be the first year of the programme, with further reports for future years to recommend and apply mitigations for all schools on the list. The programme will report back to the Cabinet member and there will be continuous monitoring. This is a joint programme working with colleagues in Public Health and Education.</p>	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Strategic Director for the Environment	January 2023	<p>Hammersmith Park - Improvements</p> <p>This relates to the possible partnership between H&F and a developer to make improvements to the bowling green (and possibly the play area) within Hammersmith Park to an estimated value of £450k. There may be financial contributions from both sides covered by agreed Heads of Terms / conditions. Once the details and principles are agreed a report will be forthcoming to seek approval to proceed.</p>	Cabinet Member for Climate Change and Ecology	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Shepherds Bush Green	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Strategic Director for the Environment	January 2023	Bishops Park - Improvement Programme This relates to a range of projects to be delivered in Bishops Park. The projects are to be funded through s106 contributions and rental / revenue income received in relation to the Fulham FC stadium development. The report will outline how the monies received will be allocated to various improvement projects in the park.	Cabinet Member for Climate Change and Ecology	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Contact officer: Silvera Williams Silvera.Williams@lbhf.gov.uk	
Cabinet Member for Housing and Homelessness	January 2023	Stack Descale Planned Programme To approve procurement for a 1 year planned programme to deliver soil stack descals across selected housing blocks.	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards Contact officer: Emma Lucas Tel: 07827883247 Emma.Lucas@lbhf.gov.uk	
Cabinet Member for Social Inclusion and Community Safety	January 2023	Decision on whether to introduce a Public Space Protection Order in relation to responsible dog ownership This report will outline the result of a public consultation into whether to introduce a Public Space Protection Order in relation to responsible dog ownership across the whole borough	Cabinet Member for Social Inclusion and Community Safety	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards Contact officer: Beth Morgan, Laura Seamons Tel: 020 8753 3102, Tel: 07786965292 beth.morgan@lbhf.gov.uk, laura.seamons@lbhf.gov.uk	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet Member for Social Inclusion and Community Safety, Cabinet Member for the Economy	January 2023	Construction Code of Practice The Council's Noise and Nuisance team would like to publish a Code of Practice for Construction Work. By publishing an approved Code of Construction Practice the council will set out clear requirements for how construction works should be carried out. This will help to ensure that all impacts from those works e.g. noise or dust complaints, are minimised.	Cabinet Member for the Economy, Cabinet Member for Social Inclusion and Community Safety	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet Member for Social Inclusion and Community Safety	January 2023	Decision on whether to introduce a Public Space Protection Order (PSPO) in relation to the use of E-scooters, E-bikes, and Pedal Cycles This report will outline the result of a public consultation into whether to introduce a Public Space Protection Order in relation to the use of e-scooters, e-bikes and pedal cycles across the Thames Path.	Cabinet Member for Social Inclusion and Community Safety	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): Ravenscourt; Hammersmith Broadway; Fulham Reach; Munster; Palace & Hurlingham; Sands End	
Cabinet Member for the Economy	January 2023	Civic Campus, Deed of Variation approval Deed of Variation approval for Contracts A & B	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and		Ward(s): Hammersmith Broadway	
			Contact officer: Jon Pickstone jonathan.pickstone@lbhf.gov.uk	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	£5m			papers to be considered.
Resources				
Cabinet Member for Housing and Homelessness	January 2023	Procurement Strategy – Dry to Wet Riser Conversion Works in Six (6) Blocks To appoint a Contractor to undertake conversion works of Dry Risers to Wet Risers in Six (6) Blocks to enhance fire safety.	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards Contact officer: Richard Buckley richard.buckley@lbhf.gov.uk	
Director Children's Services	January 2023	Call-off Contract Extensions for Semi-Independent Living Support Providers Decision report recommending short-term extensions of up to six months from 12 April 2020 to 12 September 2020 to 16 call-off contracts to secure continuation of existing provision of semi-independent living (SIL) accommodation arrangements for Looked After Children and Young People leaving care to enable continuity of these valuable services during the current Covid-19 outbreak.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards Contact officer: Will Parsons Tel: 0776 848 6764 Will.Parsons@lbhf.gov.uk	
Director Children's Services	January 2023	Approval to agree contract with Family support Service (FSS) To enable to enter in to a contract with Family Support Service (FSS).	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any
	Reason: Expenditure/Income above £300K - Revenue up to £500k		Ward(s): Contact officer: Lesley Bell Lesley.Bell@lbhf.gov.uk	

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	and Capital up to 1.5m			supporting documentation and / or background papers to be considered.
Cabinet Member for Finance and Reform	January 2023	<p>Procurement Strategy for Land and Property System</p> <p>The IDOX Group currently provides the Council's land and property-based IT case management system (Uniform) for multiple regulatory services across the authority.</p> <p>The software is highly embedded within the organisation and underpins a large number of business processes and casework management. Its contract has expired and needs to be reprocured.</p>	Cabinet Member for Finance and Reform	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Children and Education	January 2023	<p>Contract Extensions on Family Support (FS) Framework</p> <p>To extend a series of contracts on the Family Support Service (FSS) framework and deliver savings required.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Strategic Director of the Economy Department	January 2023	<p>Contract extension for Floating Support Service</p> <p>Approval of two procurement strategies for the White City Central scheme.</p>	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include
	Reason: Affects 2 or more wards		Ward(s): All Wards	

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			Tel: 020 8753 5584 Ayesha.Ovaisi@lbhf.gov.uk	details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Finance and Reform	January 2023	MFD Reprourement The Council has a contract for the provision of multi-functional devices (printers, scanners and copiers) so that its staff can have access to print services in its offices. The contract is due for renewal in 2021.	Cabinet Member for Finance and Reform	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Deputy Leader	January 2023	Contract extension for Floating Support Service Agree a contract extension as permitted under the original contract award for plus 2 years to Hestia for floating support services	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Strategic Director of Social Care	January 2023	Day Opportunities Contract awards Contract awards for three day centres for older people	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include
	Reason: Affects 2 or more wards		Ward(s): All Wards	

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			Lisa.Henry@lbhf.gov.uk	details of any supporting documentation and / or background papers to be considered.
Deputy Leader	January 2023	Extension of Incumbent Homecare Contracts This report seeks Cabinet member approval for the extension of the existing homecare contracts for 1year + 6 months + 6months.	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards Contact officer: Christine Williams Christine.Williams@lbhf.gov.uk	
Strategic Director of the Economy Department	January 2023	Procurement Strategy - Roof Repair Programme To repair and replace roofs at 4 locations	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): College Park and Old Oak; Fulham Reach; Hammersmith Broadway Contact officer: Nilesh Pankhania Nilesh.Pankhania@lbhf.gov.uk	
Cabinet Member for Children and Education	January 2023	Procurement Strategy for Young Persons and Care Leaver's Semi-independent Living The purpose of this strategy is to set out proposed changes to in-borough commissioned supported housing services for young people	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include
	Reason: Expenditure/Income - Revenue between		Ward(s): All Wards Contact officer: Will Parsons	

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	£500,000 and £5m and Capital between £1.5m and £5m	at risk of becoming homeless and or at risk of entering the care system as a result of becoming homeless.	Tel: 0776 848 6764 Will.Parsons@lbhf.gov.uk	details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Children and Education	January 2023	Semi Independent Living Contract (SIL) Providing the provision of SIL across Care Leavers and Young Persons at Risk Pathway	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Strategic Director for the Environment	January 2023	Refuge Direct Award Direct award refuge provision - 1st April 2021 - 31st March 2022.	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Director Children's Services	January 2023	Child and Adolescent Mental Health Services (CAMHS) for 21/22 Exceptional circumstances related to the Covid vaccine roll-out mean that NHS partners are not sufficiently resourced at this time to enter into intended Section 75	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include
	Reason: Expenditure/Income above £300K - Revenue		Ward(s): All Wards	

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	up to £500k and Capital up to 1.5m	arrangements. Therefore, in order to remain within governance requirements, this report seeks approval to directly award contracts for CAMHS services for 2021/22.	Craig.Holden@lbhf.gov.uk	details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Children and Education	January 2023	Award to the Travel Care Taxi Services Framework Award of providers to the Travel Care Taxi Framework	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	
Strategic Director of the Economy Department	January 2023	White City Central - Variation to the appointments of Mae, Curtins, 24 Acoustics, Make:Good and Farrer Huxley to include RIBA 3A This report concerns the proposed development of the site known as White City Central area ("site"). The report seeks the approval for the variation of existing contracts for stage RIBA 3A to assist in the procurement of the main contractor.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet Member for Social Inclusion and Community Safety	January 2023	Award for Violence Against Women and Girls Services Award report for VAWG services - Integrated Support Service	Cabinet Member for Social Inclusion and Community Safety	A detailed report for this item will be available at least five working days
	Reason: Expenditure/ income -		Ward(s): All Wards	

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	Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Contact officer: Felicity Charles Tel: 02087534311 Felicity.Charles@lbhf.gov.uk	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for the Economy	January 2023	AWARD OF CONTRACT AND PROCUREMENT STRATEGY FOR THE COUNCIL'S LAND AND PROPERTY-BASED IT SYSTEM Award of contract and procurement strategy for the council's land and property-based it system	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Children and Education	January 2023	Procurement Strategy to Develop Parenting Assessment Framework Open tender exercise to regularise contract arrangements and enable best value from independent social work led parenting assessments for Children's Social Care.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason:		Ward(s): All Wards	
Director of Finance	18 Jan 2023	Digital Services future network and security infrastructure The purchase of networking hardware to support new services and sites being set up. Equipment	Cabinet Member for Finance and Reform	A detailed report for this item will be available at least five working days
	Reason: Expenditure/		Ward(s): All Wards	

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	income above £300K - Revenue up to £500k and Capital up to 1.5m	is required to establish secure on-site connectivity and futureproof infrastructure.	Contact officer: Ramanand Ladva Tel: 07493864847 Ramanand.Ladva@lbhf.gov.uk	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Children and Education	January 2023 Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Coordination of the Holiday Activision and Food Programme offer across the London Borough of Hammersmith and Fulham Procurement of coordination services for the local delivery of the Holiday Activity and Food Programme in 2022 with possible extensions up to 2024.	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: Marcus Robinson Marcus.RobinsonCHS@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Social Inclusion and Community Safety	January 2023 Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Award Report for Refuge services This report seeks approval to award a contract to deliver refuge services from April 2022 to March 2027. This contract will support women and children experiencing domestic abuse and other forms of violence against women and girls.	Cabinet Member for Social Inclusion and Community Safety Ward(s): All Wards Contact officer: Beth Morgan Tel: 020 8753 3102 beth.morgan@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Strategic Director of the Economy Department	January 2023 Reason: Expenditure/Income	Warm Works contract Awarding a contract to carry out energy efficiency and low-carbon retrofits for low-income households in the private sector,	Cabinet Member for the Economy Ward(s): All Wards	A detailed report for this item will be available at least five working days

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	income above £300K - Revenue up to £500k and Capital up to 1.5m	as part of a wider London consortium and Government grant scheme.	Contact officer: David McNulty David.McNulty@lbhf.gov.uk	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Children and Education	January 2023 Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Maintained Nursery Grant Funding Approve maintained nursery funding for academic year 22/23 at current levels from early years block	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: Paul Triantis Paul.Triantis@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Strategic Director of the Economy Department	January 2023 Reason: Affects 2 or more wards	Procurement Strategy & Award of Air Source Heat Pumps We are proposing to let and award a contract for the supply and installation of air to water source heat pump system (s) at 105 Greyhound Road, W6 8NL and the Public Mortuary at 200 Townmead Road, SW6 2RE.	Cabinet Member for the Economy Ward(s): Sands End Contact officer: Sebastian Mazurczak Tel: 020 8753 1707 Sebastian.Mazurczak@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Housing and Homelessness	January 2023 Reason: Expenditure/	Contract Award Report - Consultancy Services Framework Contract award report in relation to the appointment of specialist	Cabinet Member for Housing and Homelessness Ward(s): All Wards	A detailed report for this item will be available at least five working days

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	income over £5m & policies or new income, reserves use, overspend over £300K	<p>external consultants to deliver professional services for the Economy Department covering: Multi-disciplinary services (such as Quantity Surveyors, Contract Administrators, Project Managers, Principal Designers including CDM Consultants/Advisors, Building Surveyors and Employers Agents including a combination of such services); Engineering Services (such as Mechanical & Electrical and Civil and Structural); Architectural Services; Clerk of Works Services; and Fire Consultancy Services.</p> <p>The Consultancy Services Framework Agreement comprises eight (8) lots and will run for a period of four (4) years.</p>	<p>Contact officer: Dominic D Souza</p> <p>Dominic.DSouza@lbhf.gov.uk</p>	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Leader of the Council	<p>January 2023</p> <p>Reason: Expenditure/income over £5m & policies or new income, reserves use, overspend over £300K</p>	<p>Open Market Acquisition</p> <p>The authority to acquire residential properties to accelerate the delivery of genuinely affordable housing in the borough, to meet the urgent need for affordable housing.</p>	<p>Cabinet Member for the Economy</p> <p>Ward(s): All Wards</p> <p>Contact officer: Mo Goudah</p> <p>mo.goudah@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Housing and Homelessness	<p>January 2023</p> <p>Reason:</p>	<p>Variations to Housing Repairs Contract</p> <p>Contract variation to existing housing repairs contract</p>	<p>Cabinet Member for Housing and Homelessness</p> <p>Ward(s): All Wards</p> <p>Contact officer: Emma Lucas Tel: 07827883247 Emma.Lucas@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation

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				and / or background papers to be considered.
Director of Finance	January 2023	Land and property-based ICT system contract extension Approval of a 12 month contract extension with existing provider IDOX to enable the data migration and new system configuration to take place		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Strategic Director of the Economy Department	18 Jan 2023	Contract Award - Disrepair Surveying Consultancy support Contract award for a consultancy service to provide disrepair surveying support.	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s):	
Cabinet Member for Children and Education	January 2023	Translation & Interpretation Services To procure and award one corporate contract for the wider council's use of Translation and Interpretation Services.		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital		Ward(s): All Wards	

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	between £1.5m and £5m			and / or background papers to be considered.
Cabinet Member for Public Realm	January 2023	Parking Bailiff Enforcement Procurement Strategy This decision will be to sign off on the procurement strategy relating to the bailiff enforcement contract for outstanding Penalty Charge Notice (PCN) debt.		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Social Inclusion and Community Safety	March 2023	Home care and independent living The key decision award report for home care and independent living to be signed off by Cabinet Member. The service provides home to residents living in the borough with assessed eligible need		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Children and Education	January 2023	Procurement Strategy for Community Schools Programme Refurbishment Works To refurbish Lena Gardens and Mund St. sites to serve as decant locations for schools in the Community Schools Programme		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital		Ward(s): Avonmore; Addison; Brook Green; Ravenscourt	

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	between £1.5m and £5m			and / or background papers to be considered.
Cabinet Member for Social Inclusion and Community Safety	11 Jan 2023	Specialist Co-Located Independent Domestic Violence Advocacy (IDVA) Service - Contract Award Contract award for provision of a Specialist Co-Located Independent Domestic Violence Advocacy (IDVA) Service, with IDVAs co-located in children's social care, housing and criminal justice services. The contract is due to commence on 1st April 2023 and run for two years, with the option to extend for a further two years.		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Public Realm	January 2023	Waste, Recycling & Street Cleansing Contract - Provisional Services Recommendations around implementation of additional provisional services to waste contract		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Deputy Leader	January 2023	Direct award for a five public health contracts covering sexual health, substance misuse and stop smoking contracts Direct awards are sought for five public health contracts that are either underway or timetabled to be procured over the next three months. The direct awards allow	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	Capital between £1.5m and £5m	for staggered procurements to take place and contracts to be in place between the council and provider for short periods up to 31 March 23 and 30 June 23. The contracts cover sexual health, substance misuse and stop smoking contracts.		documentation and / or background papers to be considered.
Cabinet Member for Public Realm	January 2023	<p>Contract award for Residential Charging Network expansion</p> <p>The Council has successfully secured £4.2 million of funding from the On-street Residential Charging Scheme (ORCS), run by the Office for Low Emission Vehicles. This report now seeks approval for the procurement strategy to expand the residential lamp column charge point network through an award of a concession contract, as recommended in this report, to Joju Limited (Joju) for a period of five years commencing in Summer 2022, with the option for the Council to extend for a further two years.</p>	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for the Economy	January 2023	<p>Control Team Procurement Strategy - Four Development Sites</p> <p>Procurement of a Control Team for the proposed developments of new homes at Barclay Close, Becklow Gardens, The Grange & Jepson House.</p>	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): Coningham; Walham Green; Sands End	

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Cabinet Member for the Economy	18 Jan 2023	Design Team Procurement Strategy - Four Development Sites Procurement of a Lead Architect and Design Team for the proposed developments of new homes at Barclay Close, Becklow Gardens, The Grange & Jepson House.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): Coningham; Walham Green; Sands End	
Cabinet Member for Finance and Reform	January 2023	Infrastructure Asset Management Procurement Procurement of an infrastructure asset management system for use in various departments across the council. The incumbent supplier is Confirm on Demand.	Cabinet Member for Finance and Reform	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Finance and Reform	February 2023	Modern Desktop Service and Tech-ionic 2 Device refresh partner award Approval for a contract award for a 3rd party supplier to manage elements of the modern desktop service and assist with Tech-Tonic 2 device refresh.	Cabinet Member for Finance and Reform	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	

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Cabinet Member for Housing and Homelessness	January 2023	Award of contracts for the major refurbishment of Becklow Gardens and Emlyn Gardens estates This report seeks approval to award two separate contracts, one for the major refurbishment of the Becklow Gardens estate W12 and one for the major refurbishment of Emlyn Gardens estate W12.	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): Coningham; Wendell Park	
Strategic Director of the Economy Department	January 2023	Community Schools Programme – Variation to the appointment of Design Team (BPTW) Variation to existing contract for Design Team services (encompassing architectural design services) for the Community Schools Programme.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): Avonmore; Ravenscourt	
Strategic Director of the Economy Department	January 2023	Caretaking Contract Extension Delivering an extension to the housing caretaking contract Reasons for Urgency: To fulfil contractual requirements around notification periods. PART OPEN PART EXEMPT The appendix is not for publication on the basis that it contains information relating to the financial	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	

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		<p>or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).</p> <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>		
Deputy Leader	<p>18 Jan 2023</p> <p>Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m</p>	<p>Direct Award of Contract for Minterne Gardens Extra Care Service</p> <p>The decision is to agree that the Contract with Housing 21 will start from February 2023 until 31st March 2027.</p> <p>The decision is to agree that the total value of the four-year Housing 21 Minterne Gardens contract is expected to be £3,919,566.</p> <p>The service is based on a core and flexi model which fits around resident's needs. This contract will provide a consistent and sustainable Extra Care Service for resident of the borough, which promotes independent living, enabling them to remain in their own home for as long as possible and reduces the need for more expensive residential care.</p>	<p>Ward(s): White City; Wormholt</p> <p>Contact officer: Johan van Wijgerden Tel: 07493864829 Johan.vanwijgerden@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for the Economy	<p>January 2023</p> <p>Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend</p>	<p>Award report for appointment of main contractor on Hartopp & Lannoy Point</p> <p>Award report for appointment of the main contractor on Hartopp and Lannoy Point following approval by Cabinet and Full Council</p>	<p>Ward(s): Munster</p> <p>Contact officer: Niral Patel niral.patel@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation

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	over £300K			and / or background papers to be considered.
Cabinet Member for Finance and Reform	February 2023	Award of LBH&F Non-residential Property Water Contract to Waterplus 2023-2027 Direct award required through New Laser Framework which Laser have ruthlessly benchmarked and completed detailed analysis of top water suppliers which all meet high industry standards. LBH&F have selected Waterplus on best value, continuity of service, excellent customer service and added in-house capabilities, and accurate quality reporting.		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Deputy Leader	5 Jan 2023	Award Report - Substance Misuse Contract The report sets out the decision to award to the winning tenderer and the procurement process followed in awarding the decision.	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet Member for Children and Education	9 Jan 2023	Early Intervention Procurement Award Report Award report for contracts following early intervention procurement exercise	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and		Ward(s): All Wards	

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	Capital between £1.5m and £5m			documentation and / or background papers to be considered.
Cabinet Member for Public Realm	6 Jan 2023	Parking Enforcement Agent Contract Award Report Report outlining the recommended Enforcement Agents to award the Parking Penalty Charge Notice (PCN) debt contract.	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason:		Ward(s): All Wards	
Cabinet Member for Children and Education	16 Jan 2023	Holiday Activity and Food Programme Procurement Award Award of contract for the local coordination of the holiday activity and food programme from 2023	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Housing and Homelessness	January 2023	Contract Award Report – Consultancy Services Framework Agreement This report seeks approval from the Cabinet Member for Housing to award the contract for the 'Consultancy Services Framework Agreement' for the following eight (8) lots: Lot 1: Multi-disciplinary Services –	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting
	Reason: Expenditure/Income over £5m & policies or new income, reserves		Ward(s): All Wards	

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	use, overspend over £300K	<p>capital projects with a value between £0 to £500,000 The Services may cover all or any of the following disciplines:</p> <ul style="list-style-type: none"> • Quantity Surveyors • Contract Administrators • Project Managers • Principal Designers • CDM Compliance Consultants • Building Surveyors • Employer’s Agents <p>Lot 2: Multi-disciplinary Services – capital projects with a value between £500,001 to £3.5m</p> <p>Lot 3: Multi-disciplinary Services – capital projects valued between £3,500,001 to £6.5m</p> <p>Lot 4: Multi-disciplinary Services – capital projects valued at above £6,500,001</p> <p>Lot 5: Civil and Structural and Mechanical and Electrical Engineering Services The Services comprise any or all of the following:</p> <ul style="list-style-type: none"> • Structural Engineering; • Civil Engineering; and • Mechanical and Electrical (M&E) and Public Health Engineering <p>Lot 6: Architectural Services for building related projects with values up to £500,000 Architectural services</p> <p>Lot 7: Clerk of Works Clerk of Works services</p> <p>Lot 8: Fire Consultancy Services Passive compartmentation surveys, fire risk assessments and fire door inspections</p> <p>*Note- the final contract award will be dependant on the provision of the Framework agreement and call-off process documents. These are to be supplied by the procurement team.</p>		documentation and / or background papers to be considered.

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Cabinet Member for Public Realm	9 Jan 2023	<p>Frank Banfield Community Garden</p> <p>To conduct a tender process for the construction of a community garden and hub in Frank Banfield Park. The works are wholly funded by S106 and have been previously approved by the planning department.</p>	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Hammersmith Broadway	
Strategic Director of the Economy Department	12 Jan 2023	<p>Agreement to access and call-off the Fusion 21 Framework, Lot 4 'Housing Disrepair'.</p> <p>We are looking for two stages of agreement.</p> <p>The first stage of agreement is to join the Fusion 21 Framework Lot 4 'Housing Disrepair'. This provides us with access to 13 pre-qualified and competitively ranked disrepair, damp and mould contractors. This stage does not require any financial commitment.</p> <p>The second stage of agreement, is to call-off the framework via a direct award for £500,000 worth of disrepair works. This stage will be subject to:</p> <ul style="list-style-type: none"> > stage 1 approval > finance verification confirming budget 	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	

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CABINET - 9 January 2023				
Cabinet	9 Jan 2023	<p>Cost of living crisis and climate emergency response – changes to parking charges</p> <p>H&F proposes to implement new emissions-based parking charge bands and improve the offer for residents visiting friends and family or shopping across the borough.</p> <p>This policy will support our net carbon zero 2030 target and clean air neighbourhood strategy while helping residents tackle the cost-of-living crisis. It also supports businesses in the face of a potential recession.</p>	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet	9 Jan 2023	<p>Housing Caretaking Service Strategy</p> <p>Strategy for ongoing delivery of the housing caretaking service</p> <p>PART OPEN</p> <p>PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	
Cabinet	9 Jan 2023	<p>Housing Management South Business Case</p> <p>Business case for the ongoing delivery of the housing management south service</p>	Cabinet Member for Housing and Homelessness	A detailed report for this item will be available at least five working days
	Reason: Expenditure/Income over		Ward(s): All Wards	

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	£5m & policies or new income, reserves use, overspend over £300K	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Contact officer: Fiona Darby</p> <p>Fiona.Darby@lbhf.gov.uk</p>	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>9 Jan 2023</p> <p>Reason: Affects 2 or more wards</p>	<p>West London Alliance Fibre Funding Report</p> <p>The Council is required to use funds received from the West London Alliance Fibre Funding Project to improve fibre infrastructure within the Borough and identify the intended benefits of delivering the projects. It seeks approval to the allocation of these funds for the proposed infrastructure projects including the upgrade of existing CCTV ducting network</p>	<p>Cabinet Member for the Economy</p> <p>Ward(s): All Wards</p> <p>Contact officer: Rebecca Yee Tel: 07786 290034 Rebecca.Yee@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>9 Jan 2023</p> <p>Reason: Budg/pol framework</p>	<p>Decision to become a member of the Pan London Vehicle for Children's Services</p> <p>The Pan-London Vehicle (PLV) for Commissioning will be a new legal entity that will aim to bring the strategic weight of London's commissioning to influence the children's placement market to stimulate new provision and improve value for money. The PLV will be a company limited by guarantee and owned by its member Local Authorities.</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Sophie Veitch Tel: 07876855124 sophie.veitch@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	9 Jan 2023 Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	Council Tax Support Scheme 23/24 Since 2013, every council has been required to set its own Council Tax Support Scheme, setting out how it wants to help those on low income pay their council tax. The administration is determined to ensure that residents receive continuing support and are no worse off than they would have been had the original council tax benefit regulations stayed in place. Ensuring that lower income families are supported by the council is a key priority for this administration. This constitutes a £9m investment by the Council to support the borough's lowest income families for 2023/24.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Kirsty Brooksmith Tel: 07785531091 Kirsty.Brooksmith@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	9 Jan 2023 Reason: Budg/pol framework	Council Tax Base and Collection Rate 2023/24 and Delegation of the Business Rate Estimate This report is a statutory requirement that sets the council tax base for the purposes of the 2023/24 revenue budget. The report also delegates authority to the Director of Finance to determine the business rates tax base for 2023/24.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	9 Jan 2023 Reason: Affects 2 or more wards	2022/23 Corporate Revenue Monitor - Month 6 (September 2022) In year monitoring report for the General Fund and HRA as at Month 6.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Elizabeth Nash Tel: 020 8753 2567 Elizabeth.Nash@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting

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				documentation and / or background papers to be considered.
Cabinet	9 Jan 2023 Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2022/23 (SECOND QUARTER) This report provides a financial update on the council's capital programme and requests approval for budget variations to the capital programme.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

CABINET - 6 February 2023

Cabinet	6 Feb 2023 Reason:	Civic Campus Programme update Update on progress with the Civic Campus and recommendation for financial investment	Cabinet Member for the Economy Ward(s): Hammersmith Broadway Contact officer: David McNulty David.McNulty@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2023 Reason: Affects 2 or more wards	REVENUE BUDGET AND COUNCIL TAX LEVELS 2023/24 The Council is obliged to set a balanced budget and council tax charge in accordance with the	Cabinet Member for Finance and Reform Ward(s): All Wards	A detailed report for this item will be available at least five working days

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		Local Government Finance Act 1992. This report sets out the proposals to balance the Council's budget for 2023/24.	Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2023 Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	FOUR YEAR CAPITAL PROGRAMME 2023/24 AND CAPITAL STRATEGY 2023/24 This report presents the Council's four-year Capital Programme for the period 2023 to 2027.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Andre Mark Tel: 020 8753 7227 andre.mark@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2023 Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2022/23 (THIRD QUARTER) This report provides a financial update on the council's capital programme and requests approval for budget variations to the capital programme.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Andre Mark Tel: 020 8753 7227 andre.mark@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2023 Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	FINANCIAL PLAN FOR COUNCIL HOMES: THE HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENTS/SERVICE CHARGES FOR 2023/24	Cabinet Member for Housing and Homelessness Ward(s): All Wards	A detailed report for this item will be available at least five working days

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	income over £5m & policies or new income, reserves use, overspend over £300K	<p>This report sets out the HRA budget proposals for the financial year 2023/24 including changes to rent levels and other charges and explains the wider strategic operating environment facing the HRA.</p> <p>The Council will optimise the financial position for the HRA in 2023/24 and rents will be increased by 4.4%. Additional investment (including one-off growth) of £3.5m is planned to support improvements in customer services, the management of disrepair and health & safety and supporting tenants through an Annual Visits Programme.</p> <p>The 40-year HRA business plan is being updated and reviewed. This will be reported in detail to the Cabinet in March 2023 and will set out the medium-term financial position on the HRA.</p>	<p>Contact officer: Danny Rochford</p> <p>Danny.Rochford@lbhf.gov.uk</p>	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>6 Feb 2023</p> <p>Reason: Budg/pol framework</p>	<p>Treasury Management Strategy 2023/24</p> <p>This report sets out the Council's Treasury Management Strategy for 2023/24</p>	<p>Cabinet Member for Finance and Reform</p> <p>Ward(s): All Wards</p> <p>Contact officer: Phil Triggs</p> <p>p.triggs@westminster.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>6 Feb 2023</p> <p>Reason: Expenditure/income over</p>	<p>Network and telephony provision</p> <p>Procurement of network links and associated services plus telephony (e.g. phone and alarm lines)</p>	<p>Cabinet Member for the Economy</p> <p>Ward(s): All Wards</p>	A detailed report for this item will be available at least five working days

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	£5m & policies or new income, reserves use, overspend over £300K		Contact officer: David Wadham Tel: 07776 672 392 david.wadham@lbhf.gov.uk	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2023 Reason: Budg/pol framework	Community Schools Programme decant works and mobilisation The report seeks budget approval for refurbishment works at the Lena Gardens and Mund Street sites that are intended to be be decant locations for the Community Schools Programme	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: Daryle Mathurin Tel: 07816 661199 Daryle.Mathurin@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Feb 2023 Reason: Budg/pol framework	Sourcing Strategy This report sets out an overarching sourcing strategy for the council, in line with our audit requirements. The strategy will improve how we source goods, works and services so that we secure the best outcomes for residents; secure exceptional value for money and operate as an efficient, modern, and compliant organisation. This strategy sits alongside the Council's operational governance arrangements including: the Constitution, Contract Standing Orders, the Financial Regulations, Code of Conduct Policies (for Officers & Members), the Anti-Bribery Policy, the Corporate Anti-Fraud and Corruption Strategy and the Gifts and Hospitality Policy.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Joanna McCormick Tel: 0741207694 Joanna.Mccormick@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	6 Feb 2023	Procurement strategy - Contract for Unattended CCTV camera system This report sets out the procurement strategy for Unattended CCTV goods and services.	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	
Cabinet	6 Feb 2023	Highways Works Contract Framework Extension Report to seek approval to take up 3 year extension option on the RBKC Highways works framework	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	
Cabinet	6 Feb 2023	Acquisition of Affordable Homes Under Construction Acquisition of 58 affordable homes under construction in a private development in the borough.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): College Park and Old Oak	

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CABINET - 6 March 2023				
Cabinet	6 Mar 2023	School Budget (Dedicated Schools Grant) 2023/24 To approve the schools budget funding formula for allocating resources to H&F schools for the financial year 2023/24	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	
Cabinet	6 Mar 2023	Procurement Strategy for Mental Health Supported Housing Procurement strategy for our mental health supported housing in borough contracts. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	

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Cabinet	6 Mar 2023	Decarbonisation of non-domestic properties - contract award	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	<p>This Key Decision is a notice of:</p> <p>(1) an ‘in principle’ decision to award a Works / Optimisation Services (WOS) contract in excess of £10m; and</p> <p>(2) to make the contract award an Officer’s Decision, delegating the award of the contract to the identified supplier to the Strategic Director of the Economy (in consultation with the Cabinet Member).</p> <p>The WOS contract will be used for the installation of Energy Conservation Measures (ECMs) at H&F non-domestic properties. The delivery of decarbonisation and retrofit projects will support the Council to achieve its net-zero carbon target and reduce carbon emissions in H&F.</p> <p>The Council is awaiting the results of its application to the Public Sector Decarbonisation Scheme (PSDS); after notification of the outcome, the total value of the contract will be set (based on amount of grant funding won), and the contract awarded by the SD of the Economy (in consultation with the Cabinet Member).</p>	<p>Ward(s): All Wards</p> <p>Contact officer: Jonathan Skaife</p> <p>Jonathan.Skaife@lbhf.gov.uk</p>	

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Cabinet	6 Mar 2023	School Organisation Plan The report summarises projected numbers of pupils on roll and makes recommendations on school organisation	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Budg/pol framework		Ward(s): All Wards	
			Contact officer: Anthony Mugan Anthony.Mugan@lbhf.gov.uk	
Cabinet	6 Mar 2023	Schools' Capital Strategy and Budget 2023-26 This report seeks budget approval for the schools' capital programme for 2023-2026.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K		Ward(s): All Wards	
			Contact officer: Anthony Mugan Anthony.Mugan@lbhf.gov.uk	
Cabinet	6 Mar 2023	Building New Homes in Farm Lane the budget request for the Farm Lane development	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Lillie	
			Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	

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Cabinet	6 Mar 2023 Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m	Farm Lane - Construction Contract Procurement Strategy the procurement strategy for procuring a mains works contractor for the Farm Lane scheme	Cabinet Member for the Economy Ward(s): Lillie Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

CABINET - 17 April 2023

Cabinet	17 Apr 2023 Reason: Affects 2 or more wards	2022/23 Corporate Revenue Monitor - Month 9 (December 2022) To give an update on forecast outturn position in line with financial regulations and to request budget virements if required.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Elizabeth Nash Tel: 020 8753 2567 Elizabeth.Nash@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	17 Apr 2023 Reason: Affects 2 or more wards	2022 Corporate Revenue Monitor - Month 9 (December 2022) To note the in year financial position as at Month 9 (December 2022) for the General Fund and HRA.	Cabinet Member for Finance and Reform Ward(s): All Wards Contact officer: Andre Mark Tel: 020 8753 7227 andre.mark@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	17 Apr 2023	Fixed Penalty Notices to be issued by LET team Update to several of the existing amounts	Cabinet Member for Public Realm	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
	Contact officer: Mohammed Basith Mohammed.Basith@lbhf.gov.uk			
Cabinet	17 Apr 2023	Building New Homes and Community Hall on Lillie Road the budget request report for the Lillie Road project	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Lillie	
	Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk			
Cabinet	17 Apr 2023	Lillie Road - Construction Contractor Procurement Strategy Construction Contractor Procurement Strategy	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Lillie	
	Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk			