

<b>Time</b>	5.00 pm	<b>Public Meeting?</b>	YES	<b>Type of meeting</b>	Executive
<b>Venue</b>	Committee Room 3, Third Floor - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH				

## Membership

<b>Chair</b>	Cllr Roger Lawrence (Lab)
<b>Vice-Chair</b>	Cllr Peter Bilson (Lab)

## Labour

Cllr Steve Evans  
Cllr Val Gibson  
Cllr Louise Miles  
Cllr Hazel Malcolm  
Cllr Lynne Moran  
Cllr John Reynolds  
Cllr Sandra Samuels OBE  
Cllr Paul Sweet

Quorum for this meeting is five Councillors.

## Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

<b>Contact</b>	Philippa Salmon
<b>Tel/Email</b>	Tel: 01902 555061 or <a href="mailto:philippa.salmon@wolverhampton.gov.uk">philippa.salmon@wolverhampton.gov.uk</a>
<b>Address</b>	Democratic Services, Civic Centre, 1st floor, St Peter's Square, Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

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<b>Email</b>	<a href="mailto:democratic.services@wolverhampton.gov.uk">democratic.services@wolverhampton.gov.uk</a>
<b>Tel</b>	01902 550320

Please take note of the protocol for filming, recording, and use of social media in meetings, copies of which are displayed in the meeting room.

Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

# Agenda

## Part 1 – items open to the press and public

*Item No.*    *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies for absence**
- 2            **Declaration of interests**
- 3            **Minutes of the previous meeting** (Pages 5 - 8)  
[For approval]
- 4            **Matters arising**  
[To consider any matters arising from the minutes of the previous meeting]

### DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)

- 5            **Local Council Tax Support Scheme** (Pages 9 - 188)  
[To approve the proposals to amend the local scheme for 2019-2020 onwards following public consultation.]
- 6            **Housing Revenue Account Business Plan 2019-2020 including Rents and Service Charges** (Pages 189 - 222)  
[To approve an update on the Housing Revenue Account Business Plan and to approve the 2019-2020 HRA budget and rent levels.]
- 7            **i54 Western Extension** (Pages 223 - 248)  
[To approve the detailed business case including the full funding strategy with delegated authority to enter in to key delivery agreements.]

### DECISION ITEMS (AMBER - DELEGATED TO THE CABINET)

- 8            **Draft Budget and Medium Term Financial Strategy 2019-2020 – Provisional Local Government Finance Settlement Update** (Pages 249 - 254)  
[To approve the 2019-2020 Budget and Medium Term Financial Strategy 2019-2020 and 2020-2021 and a Provisional Local Government Finance Settlement Update.]

- 9        **Budget 2019-2020 - Outcome of Budget Consultation and Scrutiny Review**  
(Pages 255 - 300)  
[To consider the responses to the consultation process undertaken to support the 2019-2020 budget setting process, allowing for Councillors' consideration of the responses to the consultation.]
- 10       **Council Tax Base and Business Rates (NDR) Net Rate Yield 2019-2020** (Pages 301 - 306)  
[To approve the Council Tax Base and Business Rates (NDR) Net Rate Yield 2019-2020.]
- 11       **Collection Fund Estimated Outturn 2018-2019** (Pages 307 - 316)  
[To approve the Collection Fund Estimated Outturn 2018-2019.]
- 12       **Defra grant funding for Air Quality** (Pages 317 - 324)  
[To approve the Defra grant to make improvements in air quality.]
- 13       **Adult Education: Quality of Provision 2017-2018** (Pages 325 - 368)  
[To approve the main findings from the annual self-assessment of provision in 2017-2018 and the key areas for improvement in 2018-2019.]
- 14       **Exclusion of press and public**  
[To pass the following resolution:
- That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

## **PART 2 - EXEMPT ITEMS, CLOSED TO PRESS AND PUBLIC**

### **DECISION ITEMS (RED - FOR DECISION BY THE COUNCIL)**

- 15       **i54 Western Extension** (Pages 369 - 376)       Information relating to       (3)  
[To approve the detailed business case including the full funding strategy with delegated authority to enter in to key delivery agreements.]       the financial or business affairs of any particular person (including the authority holding that information)

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Meeting of the Cabinet</b> <b>Minutes - 12 December 2018</b>
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## Attendance

### Members of the Cabinet

Cllr Roger Lawrence (Chair)  
Cllr Peter Bilson (Vice-Chair)  
Cllr Steve Evans  
Cllr Val Gibson  
Cllr Louise Miles  
Cllr Hazel Malcolm  
Cllr Lynne Moran  
Cllr John Reynolds  
Cllr Paul Sweet

### Employees

Mark Taylor	Strategic Director - People
Ged Lucas	Strategic Director - Place
Claire Nye	Director of Finance
Kevin O'Keefe	Director of Governance
John Denley	Director of Public Health
Meredith Teasdale	Director of Education
Jaswinder Kaur	Democratic Services Manager
Philippa Salmon	Democratic Services Officer

## Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i>  |
|-----------------|---|
| 1               | <b>Apologies for absence</b><br>Apologies for absence were received from Councillor Sandra Samuels OBE.   |
| 2               | <b>Declaration of interests</b><br>Councillor Louise Miles declared a personal interest in item 6 - Joint Public Mental Health & Wellbeing Strategy, as a family member was employed by the Clinical Commissioning Group. |
| 3               | <b>Minutes of the previous meeting</b><br>That the minutes of the previous meeting held on 21 November 2018 be approved as a correct record and signed by the Chair.  |
| 4               | <b>Matters arising</b><br>There were no matters arising from the minutes of the previous meeting.   |

5 **Wolverhampton Response to South Staffordshire Plan Issues and Options Consultation**

Councillor John Reynolds presented the Wolverhampton Response to South Staffordshire Plan Issues and Options Consultation for approval. The report summarised the content of the South Staffordshire Local Plan Issues and Options Consultation and the implications for Wolverhampton and set out the principles for a City of Wolverhampton Council response to the consultation. It was agreed to add an additional recommendation to request that any development on the edge of Wolverhampton take into consideration any health, education and environmental implications.

Resolved:

1. That the following principles be approved as the basis of the Council's response to the South Staffordshire Local Plan Issues and Options consultation:
  - a. Support for the preferred housing growth option of local housing need plus 4,000 homes of Greater Birmingham and Black Country Housing Market Area need;
  - b. Support for a mix of spatial options which deliver a proportionate amount of housing on the edge of the Black Country in line with the Housing Market Area Strategic Growth Study areas of search, subject to the findings of the joint South Staffordshire and Black Country Green Belt Review and other evidence;
  - c. Support for the sites submitted by the Council to South Staffordshire as part of the "Call for Sites", as approved by Cabinet Resources Panel on 2 October 2018;
  - d. Support for the employment growth option to allocate additional employment land to help address unmet cross boundary employment land needs for the Black Country, in locations which are the most accessible by a choice of means of transport to the Wolverhampton workforce;
  - e. Request for acknowledgement that, if approved, the West Midlands Interchange application would contribute towards unmet Black Country need for employment land and logistics provision;
  - f. Support for the existing Brinsford Strategic Park and Ride site allocation and request that this project and other supporting infrastructure which increases access to the rail network should be promoted in the new Plan;
  - g. Request that the impact of developments on the wider transport network is assessed, and that developments minimise trip generation through all available mechanisms;
  - h. Request that development links effectively to the strategic transport network and avoids excessive pressure on sensitive transport links;
  - i. Request that any development on the edge of Wolverhampton take into consideration any health, education and environmental implications.

6 **Joint Public Mental Health & Wellbeing Strategy**

Councillor Hazel Malcolm presented the Joint Public Mental Health & Wellbeing Strategy for approval. The Strategy had been produced by City of Wolverhampton Council and NHS Wolverhampton Clinical Commissioning Group (CCG) and provided a high-level summary of current and planned workstreams across the City of Wolverhampton Council and CCG to promote population wellbeing and improve mental health. It followed a life course approach, covering all levels of support from universal prevention through to tier 5+ specialist services.

Resolved:

1. That the Joint Public Mental Health & Wellbeing Strategy for Wolverhampton be approved.
2. That it be noted that the Joint Public Mental Health & Wellbeing Strategy is an overarching document that incorporates City of Wolverhampton Council and NHS Wolverhampton Clinical Commissioning Group's Joint Mental Health Commissioning Strategy for 2018-2019 – 2020-2021. It includes not just commissioned services to support people with mental health problems, but wider public services and workstreams to prevent mental ill health and promote population wellbeing.
3. That it be noted that the Joint Public Mental Health & Wellbeing Strategy and Joint Mental Health Commissioning Strategy were informed by an extensive consultation that was carried out as part of a Mental Wellbeing Needs Assessment completed in June 2017. Initial feedback was sought on the draft Strategy document from Council and NHS professionals, and members of the Wolverhampton Mental Health Stakeholder Forum and Suicide Prevention Forum. A process of further engagement was carried out between September and November 2018 to capture feedback from a broader range of stakeholders, including the Children's Trust Board, health services, and voluntary and community sector organisations.
4. That it be noted that an action plan and timeline are being developed to accompany the Strategy document, along with a formal governance structure. These will be living documents developed via the Mental Health Stakeholder Forum and related groups.

7 **School Improvement Strategy 2018-2021**

Councillor Lynne Moran presented the School Improvement Strategy 2018-2021 for approval. The report summarised the current position of school improvement and made recommendations to revise the previous version of the School Improvement and Governance Strategy 2017. The School Improvement Strategy made provision for the Council to carry out its functions to monitor the performance of schools in the city and ensured that, where improvements were necessary, they would be carried out effectively and expeditiously.

Resolved:

That the School Improvement Strategy 2018-2021 be approved.

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	Local Council Tax Support Scheme	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Corporate Plan priority</b>	Confident Capable Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Revenues and Benefits	
<b>Accountable employee</b>	Sue Martin	Head of Revenues and Benefits
	Tel	01902 554772
	Email	sue.martin@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Corporate Leadership Team	8 January 2019
	Council	30 January 2019

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**Recommendations for decision:**

The Cabinet is recommended to recommend that Council:

1. Approves a revision to the Local Council Tax Support Scheme so that changes in entitlement of £3 or less are not applied.
2. Approves a revision to the Local Council Tax Support Scheme so that the financial and household information used to assess entitlement to Universal Credit is used to calculate council tax support.
3. Approves a revision to the Local Council Tax Support Scheme so that claims will be accepted from notification of an award of Income Support, Jobseeker's Allowance (income-based), Employment and Support Allowance (income-related) or Universal Credit.
4. Approves the revised scheme for adoption from 1 April 2019.
5. Approves a scheme of transitional protection for 2019-2020.

**Recommendations for noting:**

The Cabinet is recommended to note:

1. The consultation feedback and equality analysis.

## **1.0 Purpose**

- 1.1 This report seeks approval from Cabinet to submit the Local Council Tax Support Scheme to Full Council with a recommendation that the proposed revisions to the scheme be adopted from 1st April 2019.

## **2.0 Background**

- 2.1 The Council has operated its own Council Tax Support Scheme since 2013. Rules are set locally for working age families whereas the Government continues to set the rules applying to pensioners.
- 2.2 On 11 July 2018, Cabinet approved the publication of a revised draft local scheme for public consultation.

## **3.0 Revisions to the scheme**

- 3.1 Taking account of the equalities analysis and consultation feedback, the following revisions to the scheme are recommended:
- a. Introduction of a minimum change rule so that increases or decreases in entitlement of £3 or less per week are not applied to the assessment. Changes will be held until the cumulative impact of any further changes exceeds £3 per week, or until the annual calculation for the next financial year; whichever happens first.
  - b. Calculation of council tax support will be based on the household and financial information used to calculate Universal Credit.
  - c. Claims for council tax support will be accepted from notification of an award of Income Support, Jobseeker's Allowance (income-based), Employment and Support Allowance (income-related) or Universal Credit.

## **4.0 Consultation and analysis**

- 4.1 The Local Government Finance Act 2012 specifies that before adopting or revising a scheme, the Council must (in the following order):
- a. Consult any major precepting authority which has power to issue a precept to it.
  - b. Publish a draft scheme in such a manner as it thinks fit.
  - c. Consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 4.2 The Council has carried out a public consultation in line with the requirements set out above. This included an on-line survey, publicity through social media and posters in libraries and jobcentres. Local voluntary groups were invited to a workshop event to collect their feedback.
- 4.3 Consultation commenced on 28 August and ran until 19 November 2018.

4.4 Response to the consultation questions can be summarised as follows:

To what extent do you agree or disagree with	Strongly agree / agree	Strongly disagree / disagree
Proposal 1: Introduce a minimum change rule when an award of council tax support increases or decreases for working age customers	64%	17%
Proposal 2: The same financial and household information used to assess Universal Credit will be used to determine council tax support	54%	30%

4.5 Whilst acknowledging the number of people responding to the consultation was low, a positive level of support and agreement for the proposed revisions can be concluded from the consultation exercise.

4.6 A detailed report on the outcome of consultation is attached as Appendix 1 to this report.

## 5.0 Transitional protection

5.1 If any changes are made that have the effect of making the scheme less generous, the Council is under a duty to consider transitional protection for any individuals that would receive a lower level of support.

5.2 In the current scheme an additional earnings disregard is applied where more than 16 hours per week are worked. The use of information from Universal Credit assessments to determine council tax support will mean that the number of hours worked per week will no longer be collected and the disregard will be removed from the scheme for claims where Universal Credit is in payment.

5.3 The effect of this will be to reduce the council tax support award for approximately 200 households by an average of £136 per year.

5.4 In response it is recommended that each affected household is given transitional protection for one year by a one-off award equivalent to the reduction in their council tax support for the 2019-2020 billing year.

## 6.0 Evaluation of alternative options

6.1 Alternative options were considered and set out in the report to [Cabinet on 11 July 2018](#).

## 7.0 Reasons for decisions

7.1 The decision to adopt the proposed scheme changes will contribute towards reducing administrative costs. With one exception, set out in section 5, the changes do not alter the entitlement rules under the scheme.

7.2 The introduction of a minimum change rule will reduce the number of revised council tax bills issued which can be for minimal differences. Each revised bill will result in changed instalment amounts which can cause confusion for customers.

7.3 Accepting claims for council tax support from notification of receipt of another state benefit will help address some of the confusion customers experience when they move to Universal Credit and speed up the process of applying a reduction to their bill.

## **8.0 Financial implications**

8.1 Comparison with other local authorities suggests that housing benefit administration subsidy reduces by around 25% in the year following the roll out of Universal Credit. Applying this forecast to our grant could mean it being cut by as much as £300,000 in 2019-2020. It is envisaged that the cost of administering the scheme will reduce by adopting the proposed changes set out in this report.

8.2 Whilst the value of reduced administration cannot be forecast precisely at this time, it is hoped that it should go some way towards offsetting the anticipated reduction in administration subsidy in 2019-2020.

8.3 Ending the collection of data about the number of hours worked and therefore the additional earnings disregard would lower the cost of the scheme by up to £30,000 per year once any period of transitional protection ends.

[MH/20122018/S]

## **9.0 Legal implications**

9.1 The Local Government Finance Act 1992 as amended includes a requirement for the Council to adopt any revisions to its local council tax support scheme by 11 March of the year in which changes are to be implemented. Failure to do so would result in the Council having to maintain the scheme currently in place.

9.2 Section 67 (2)(aa) Local Government Finance Act 1992 as amended by the 2012 Act states that the implementation of a local council tax support scheme and any subsequent revisions to the scheme will be a function reserved to full Council.

9.3 The framework within which billing authorities must devise their council tax reduction schemes is contained in Part 1 of Schedule 4 to the Act. This Schedule provides that the following matters must be included in an authority's scheme:

- a. a description of the classes of person entitled to a council tax reduction;
- b. details of the reductions which are to apply to those classes (different classes of persons may be entitled to different reductions);
- c. the procedure under which a person may apply for a Council Tax reduction; and
- d. an appeals procedure covering decisions over entitlement to a reduction and the amount of any reduction due.

These items are all included in the proposed revised scheme.

9.4 The Council has completed an equality analysis, attached at appendix 2, to assess the impact of the proposed revisions to the Local Council Tax Support Scheme.

- 9.5 Consultation has been carried out in accordance with the sequence set out in the 2012 Act. The Council has attempted to ensure that all interested parties are able to give a view.
- 9.6 The Council must consider whether there are any groups or individuals that are adversely impacted by any changes when making its final decisions on a local scheme  
[JSM/12122018]

## **10.0 Equalities implications**

- 10.1 A full equality analysis has been carried out in respect of the proposed revisions to the local council tax support scheme and a summary is included as appendix 2 to this report.
- 10.2 The proposals described in this report were consulted upon and are supported by the majority of views expressed by respondents to the consultation. Some positive outcomes are expected by the equality analysis and mitigating actions are in place where implications suggest that they may be necessary. Equalities considerations are included in the monitoring of the scheme to ensure it demonstrates that support is awarded fairly and to inform any future reviews of the scheme. Any revisions to the scheme required by consideration of the results of monitoring will be acted upon in accordance with these requirements

## **11.0 Environmental implications**

- 11.1 There are no environmental implications arising from this report.

## **12.0 Human resources implications**

- 12.1 There are no human resources implications arising from this report.

## **13.0 Corporate landlord implications**

- 13.1 There are no corporate landlord implications arising from this report.

## **14.0 Health and wellbeing implications**

- 14.1 There are no health and wellbeing implications arising from this report.

## **15.0 Schedule of background papers**

- 15.1 [Cabinet, 11 July 2018 – ‘Local Council Tax Support Scheme’](#)

## **16.0 Appendices**

Appendix 1 – Consultation feedback report

Appendix 2 – Equality analysis

Appendix 3 - Wolverhampton S13A Scheme 2019



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**City of Wolverhampton Council  
Council Tax Reduction Scheme  
2019/2020**

**Final Report  
December 2018**

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## Project details

<b>Title</b>	Council Tax Reduction Scheme Consultation
<b>Client</b>	City of Wolverhampton Council
<b>Project number</b>	18075
<b>Author</b>	Clare Rapkins
<b>Research Manager</b>	Clare Rapkins
<b>Reviewer</b>	Adam Knight Markiegi

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# Executive Summary

## Introduction

- City of Wolverhampton Council designed an online survey to gather responses to the Council Tax Support Scheme consultation 2019/2020. Hard copies in other formats (e.g. large print) were also available on request.
- The consultation took place between 28<sup>th</sup> August 2018 and 19<sup>st</sup> November 2018 inclusive.
- A total number of 70 responses were received: 69 online surveys and 1 paper survey.
- The Council commissioned M·E·L Research to undertake the analysis and reporting elements of the consultation.

## Proposal one: Introducing minimum charge rule

- Almost two thirds (64%) agreed with the Council's proposal to introduce a minimum charge rule.
- Residents were given the opportunity to comment on this proposal. Out of the 15 comments received, the most frequently mentioned theme related to concerns about reduced support or difficulties with budgeting (9 mentions).
- Half of respondents (50%) felt £3 was reasonable amount for the Council to use when deciding whether to apply a change.
- Any residents that felt that £3 was **not** a reasonable amount were asked what the rate should be. Over half (55%) felt that it should be more than £3. Around a third (34%) thought it should be less than £3 and a further 11% felt it should be nil.
- Residents were given the opportunity to comment if they did not feel £3 was a reasonable amount. Seven residents provided a comment with three people expressing concerns with affordability (and the impact on those with low incomes) and a further two respondents felt the amount should be based on income (i.e. means tested).

## Proposal two: Using financial and household information to assess Council Tax Support Entitlement

- Around a half of residents (54%) agreed with the Council's proposal to use financial and household information when assessing council tax support.
- 11 residents provided a comment. The most frequently mentioned theme related to the fact that some people would feel penalised if this proposal was to go ahead.

- Finally, residents were asked to suggest ways that would help minimise the impact on those who would receive less support if the proposal went ahead. The most popular suggestion was to offer discretionary payments or other financial assistance.

# Introduction

## Background

Since the Government stopped council tax benefit in April 2013 each Council has introduced its own council tax support scheme. The Government continues to set the rules for pensioners and so the local scheme applies to working age households only.

In December 2017, the housing benefit scheme closed for most new claims in Wolverhampton. Support with housing costs is now provided through Universal Credit, administered by the Department for Work and Pensions. The Council continues to help with council tax through its local scheme, but the number of housing benefit claims administered by the Council will decrease as people transfer to Universal Credit.

Under the current council tax support scheme, each time there is a change in the amount of Universal Credit received; the council tax support must be adjusted. Every month there could be a recalculation of council tax support even for very small changes and an amended council tax bill issued. This could cause confusion for customers if they regularly need to change their payment arrangements. It also increases the Council's administration and postage costs. The move to Universal Credit is now a key factor that needs to be considered when looking at the Council Tax Support Scheme for 2019/2020 and beyond.

As a result of this, the Council has developed the following two proposals:

- Proposal 1: Introduction of a minimum charge rule when an award of council tax support increases or decreases for working age customers;
- Proposal 2: Using financial and household information to determine council tax support entitlement;

The Council has gathered views on their two proposals to determine whether they should be included in the Council Tax Support Scheme from 1<sup>st</sup> April 2019. The findings from this consultation are outlined in this report.

# Methodology

City of Wolverhampton Council designed an online survey, hosted on the council website, to gather responses to the Council Tax Support Scheme consultation 2019/2020. Hard copies in other formats (e.g. large print) were also available on request. The Council used the following mechanisms to promote the consultation amongst stakeholders and residents in the local area:

- The Council wrote to their combined authority members;
- A briefing note was emailed to all ward councillors;
- An article was published in their regular newsletter.

Contact was also made with a variety of local support groups including:

- Citizens Advice
- The Refuge and Migrant Centre
- Access 2 Business
- Job Change
- Transforming Communities Together
- Social Housing Providers
- Private Landlords

In addition, Wolverhampton Homes included a link to the consultation on their website, the Council emailed Wolverhampton Voluntary Sector Council to advise them that the consultation was taking place and invited them to a workshop about the consultation and the Welfare Rights service sent emails to their extensive list of members to direct them to the consultation.

The consultation was further promoted via digital notice boards in the civic centre and libraries, posters in the three main Jobcentre Plus offices, press articles, the Council's 'City People' page, social media (i.e. Facebook and Twitter) and Wolverhampton today. The communications team estimated that these posts reached 40,000 people, with 287 people clicking on the survey link.

The consultation took place from 28<sup>th</sup> August 2018 until 19<sup>st</sup> November 2018 inclusive. The total number of responses to the consultation survey was 70 responses: 69 online surveys and 1 paper survey. Details of the achieved sample profile are provided in **Appendix A**.

This report includes the findings from the consultation survey. City of Wolverhampton Council also provided M·E·L Research with a transcript of the discussions they had with Wolverhampton Homes,

Accord, the Citizens Advice Bureau and Wolverhampton's Revenue and Benefits Service. Quotes from these discussions are also included in the report where appropriate.

## Notes on analysis

**Please note: Due to the relatively small sample size, this report includes top line results only.**

Owing to the rounding of numbers, percentages displayed visually on graphs in the report may not always add up to 100% and may differ slightly when compared with the text.

Open ended responses have been coded into broad themes and these, together with the number of mentions for each theme are presented in the corresponding tables. The total number of mentions might differ from the total number of valid comments, because some residents may have mentioned more than one theme in their comments.

**Finally, given the small sample size, all results in this report should be treated as indicative only.**

# Consultation findings

## Proposal 1: Introducing a minimum change rule

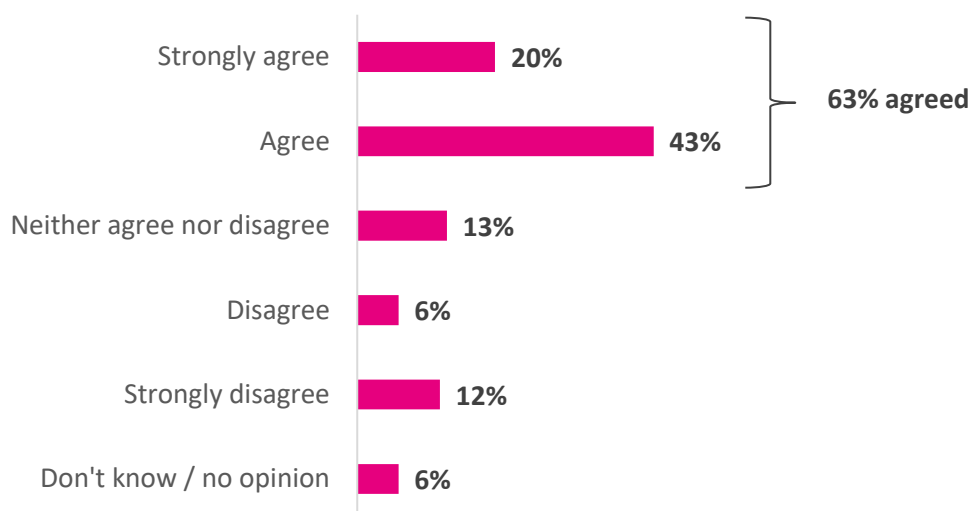
This section outlines the findings from the Council's first proposal; introducing a minimum change rule.

City of Wolverhampton Council is proposing to introduce a minimum charge rule when an award of Council Tax support increases or decreases for working age customers. The level of council tax support applied to council tax bills is dependent on income and household circumstances. However, incomes can fluctuate, for example people who are on zero-hour contracts or who receive Universal Credit may have changes to their income each month and would therefore need a new bill sent even if the changes are minimal. To avoid this confusing situation, the Council is proposing to only make changes to bills if the amount of council tax support changes by £3 or more per week. If nothing else changes during the year, the Council will wait until they calculate the Council Tax Support for the following year to apply the change.

All residents were asked to what extent they agreed or disagreed with the Council's proposal to introduce a minimum charge rule. Almost two thirds (64%) agreed and nearly one fifth (17%) disagreed. A further fifth said they did not know or had no opinion on the proposals (13% said neither and 6% did not know).

**Figure 1: Levels of agreement with proposals to introduce a minimum change rule**

*Percentage of respondents- base size 69*



The results above were also reflected during the discussion with stakeholders. One stakeholder who took part said, *“The proposals make sense as changes in money to pay; causes more confusion for customers than changes in the amount of money received”*.

Residents were also given the opportunity to provide their comments on the proposal. A total of 15 respondents responded to this question. **Please note: some respondents provided comments which covered more than one theme and therefore the number of mentions is higher.** The most common theme related to concerns about reduced council tax support and the difficulties this may cause when budgeting (9 mentions).

This was also reflected in the stakeholder discussion. One attendee mentioned that, *“We are very concerned that ongoing instalments must be affordable, it becomes harder as the financial year progresses as there is less time to collect and the Council still wants full payment by the 31<sup>st</sup> March”*.

**Table 1: Comments relating to the proposal to introduce a minimum change rule**

Key themes	No of mentions
Concerned about reduced council tax support/ budgeting	9
Changes in income should be considered/means tested	3
Need to take administration costs into account	2
Undertake assessments at different times (e.g. every 6 months/next tax yr.)	2
Council should calculate any changes quicker	1
Process is less confusing	1
Other (e.g. council does not provide VfM)	1
<b>TOTAL</b>	<b>19</b>

**Example quotes from residents (Concerns about reduced council tax support/budgeting)**

When working with tenants on low incomes, multiple bills with varying different payment amounts make it hard to budget.

Tenants get very confused with council tax bills changing all the time and also towards the end of the financial year it can sometimes be unaffordable to pay as the amounts change so much within a financial year.

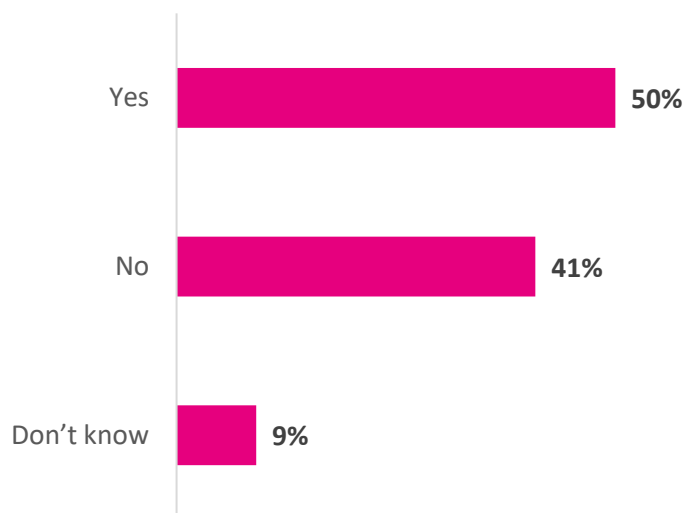


## Deciding when to apply charge

Residents were then asked if they felt £3 per week was a reasonable amount to use when deciding whether to apply a charge. Figure 2 below shows that a half of respondents (50%) felt this amount was reasonable but 41% did not. The remaining 9% did not know.

**Figure 2: Whether £3 per week was a reasonable amount when deciding whether to apply a charge?**

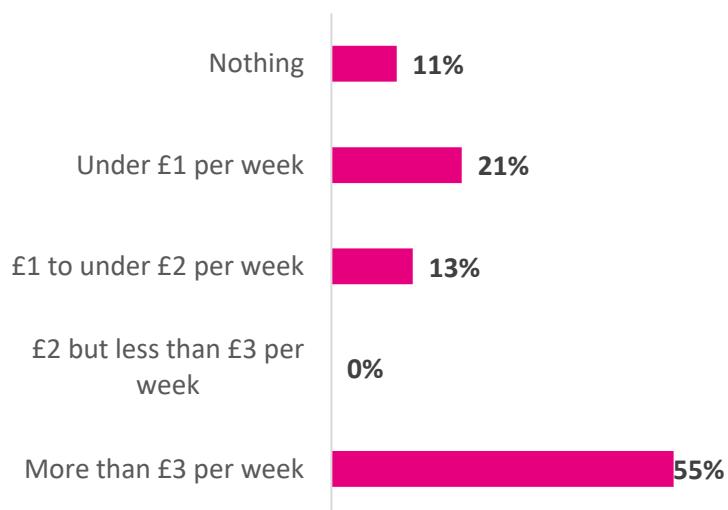
*Percentage of respondents- base size 66*



Any residents that felt that £3 was not a reasonable amount; were asked what the rate should be. Over half (55%) felt that it should be more than £3. Around a third (34%) think it should be less than £3 and a further 11% felt it should be nothing.

**Figure 3: Respondent views on what the minimum change rate should be**

*Percentage of respondents- base size 66*



Respondents who felt £3 was not a reasonable amount were given the opportunity to comment. Seven residents provided a response. The key themes are highlighted in Table 2 below.

**Table 2: Comments from respondents who thought £3 is not a reasonable amount**

Key themes	No of mentions
Concerns around affordability/impact on those with low incomes	3
Should be means tested/based on income	2
Other (e.g. council tax should be scrapped)	2
<b>TOTAL</b>	<b>7</b>

**Example quotes from residents (Concerns about affordability & impact on those with low incomes)**

It has to be a fine line between pushing someone into debt due to large unforeseen rises in Council tax.

To some claimants that extra 3 pound a week in help means an extra meal.

## Proposal 2: Using financial and household information to determine council tax support entitlement

This section outlines the findings from the Council's second proposal; using financial and household information (same as with Universal Credit) to determine residents' council tax support entitlement.

The Department for Work and Pensions collect income details for people who are claiming Universal Credit and sends these to the Council so they can calculate council tax support. However, this information does not include information about how many hours a person has worked.

In the current council tax support scheme, all working households have part of their net earnings ignored when calculating council tax support. This is called an **earnings disregard**.

In addition to this disregard there is a further amount that is ignored when calculating council tax support if residents work more than 16 hours and have children or they work more than 30 hours per week and do not have children.

Because the Council does not have information about the number of hours the Council worked, the Council is proposing to remove the additional earnings disregard from the Council Tax Support Scheme for people in receipt of Universal Credit from April 2019 and beyond. The other disregards outlined above will continue to be applied.

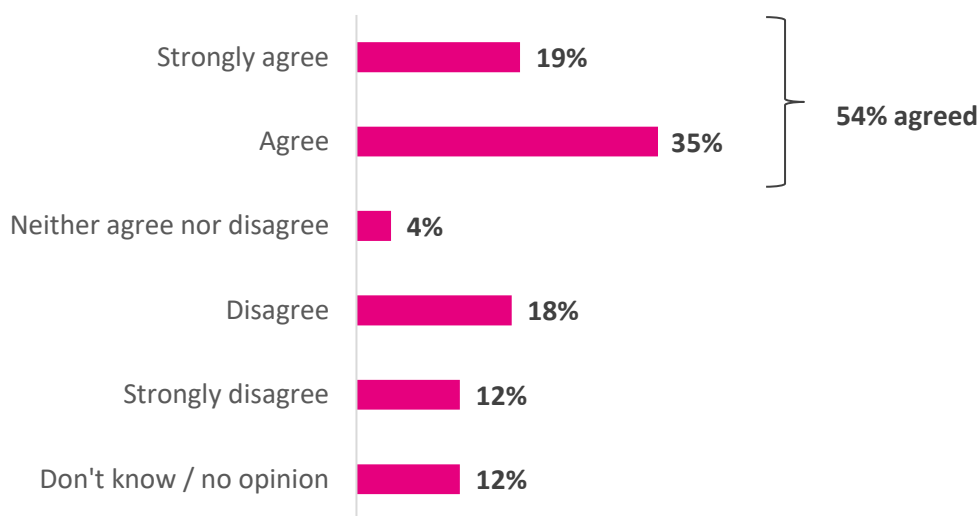
### Assessing Council Tax Support

All residents were asked to what extent they agreed or disagreed with the Council's proposal to use the same financial and household information used to assess Universal Credit; to determine their council tax support.

Figure 4 overleaf shows that just over a half agreed (54%). This compares to nearly a third disagreeing (30%). A further 16% said they neither agreed nor disagreed (4%) or they did not know (12%).

**Figure 4: Levels of agreement with using financial and household information to assess Council Tax Support Entitlement**

Percentage of respondents- base size 57



All respondents were given the opportunity to comment on the Council’s second proposal to use financial and household information to assess council tax support. 11 residents provided a valid response (excludes responses from two residents who were unsure how the system would work or did not understand the explanation given). Table 3 below indicates that six respondents felt they would be penalised if the proposal went ahead.

**Table 3: Comments on Council’s proposal to use financial and household information to assess**

Key themes	No of mentions
Certain people will be penalised	6
Reduced support would be given	1
Should be means tested	2
Needs to be similar to Universal Credit rules	2
<b>TOTAL</b>	<b>11</b>

**Example quotes from residents (Certain people will be penalised)**

It very much sounds like the council is money grabbing from whatever source it can and lots of people will be penalised in this scheme.

These people are already penalised by the taper in council tax - they are offered no protection and now you want to take away more.

## Impact on customers

Finally, the Council asked residents to suggest ways to reduce the impact on customers if the proposal was agreed. 18 residents provided a valid response (excluding don't know, could not understand form, no comment etc). The most common suggestion related to offering residents discretionary payments or other financial support if they experienced any financial difficulties.

**Table 4: Comments on the impact on residents**

Key themes	No of mentions
Offer discretionary payments/financial assistance	9
Protect customers until circumstances change	4
Reduce support slowly or defer change for one year	2
Give residents advance notice	1
Keep system as it is	1
Encourage people to work	1
<b>TOTAL</b>	<b>18</b>

### Example quotes from residents (Offer discretionary payments)

Possibly a DHP pot to help people in financial difficulties who would have assistance prior to the disregard.

Allow those affected to have an extended payment arrangement if they are in difficulty or set up a hardship fund. Do not start court proceedings for small amounts owed.

The suggestion to have a small discretionary fund available was also mentioned during the stakeholder discussions. Although, their concern concentrated mainly on single people and couples (rather than families with children) as they were often the groups that struggled the most with low incomes.

**Appendix A: Respondent profile****Appendix B: Questionnaire**

## Appendix A: Respondent profile

### Gender

Gender	Number of respondents	% of respondents
Female	10	19%
Male	40	77%
Prefer not to say	2	4%
<b>Totals</b>	<b>52</b>	<b>100%</b>

### Gender (same as assigned at birth)

Gender	Number of respondents	% of respondents
Yes	48	92%
No	1	2%
Prefer not to say	3	6%
<b>Totals</b>	<b>52</b>	<b>100%</b>

### Ethnic origin

Ethnic Origin	Number of respondents	% of respondents
White	39	78%
BME	11	22%
<b>Totals</b>	<b>50</b>	<b>100%</b>

### Disability

Disability	Number of respondents	% of respondents
Yes	6	11%
No	42	79%
Prefer not to say	4	8%
Not sure	1	2%
<b>Totals</b>	<b>53</b>	<b>100%</b>

## Sexual Orientation

Sexual Orientation	Number of respondents	% of respondents
Heterosexual / Straight	41	82%
Gay man	0	0%
Gay woman	1	2%
Bisexual	0	0%
Other	0	0%
Prefer not to say	8	16%
<b>Totals</b>	<b>50</b>	<b>100%</b>

## Religion

Religion	Number of respondents	% of respondents
No religion	14	28%
Christian	23	46%
Buddhist	0	0%
Hindu	1	2%
Jewish	0	0%
Muslim	1	2%
Sikh	1	2%
Any other religion	1	2%
Prefer not to say	9	18%
<b>Totals</b>	<b>50</b>	<b>100%</b>

## Age

Age	Number of respondents	% of respondents
16-24	1	2%
25-34	12	23%
35-44	19	37%
45-54	8	15%
55-64	10	19%
Over 65	2	4%
<b>Totals</b>	<b>52</b>	<b>100%</b>



# Appendix B: Questionnaire

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## Equality Analysis Template.

<b>Directorate:</b> Corporate	<b>Lead Officer:</b> Jenny Hoare
<b>Service Area:</b> Revenues & Benefits	<b>Date completed:</b> 12 December 2018
<b>Service / Function / Policy / Procedure to be assessed: Council Tax Support Scheme 2019-2020</b> The introduction of a minimum change rule so that increases or decreases in entitlement of £3 or less per week are not applied to the assessment. Changes will be held until the cumulative impact of any further changes exceeds £3 per week, or until the annual calculation for the next financial year; whichever happens first.  Calculation of council tax support will be based on the household and financial information used to calculate Universal Credit.  Claims for council tax support will be accepted from notification of an award of Income Support, Jobseeker's Allowance (income-based), Employment and Support Allowance (income-related) or Universal Credit	
<b>Is this:</b> New / Proposed <input type="checkbox"/> Existing/Review <input type="checkbox"/> Changing <input checked="" type="checkbox"/>  (Please tick appropriate box)	<b>Review date:</b> 1 April 2019

### Part A – Initial Equality Analysis to determine if a full Equality Analysis is required.

**What are the aims and objectives/purpose of this service, function, policy or procedure?**

Council Tax support assists residents on low incomes to help to pay their council tax. It is the responsibility of each Council to design their own council tax support scheme for working age residents.

Please indicate its relevance to any of the equality duties (below) by selecting Yes or No?

	Yes	No
Eliminating unlawful discrimination, victimisation and harassment		✓
Advancing equality of opportunity	✓	
Fostering good community relations		✓

**If not relevant to any of the three equality duties and this is agreed by your Head of Service**, the Equality Analysis is now complete - please send a copy to the Equality & Diversity Team. **If any of the three equality duties are relevant**, a Full Equality Analysis will need to be undertaken (PART B below).

### PART B: Full Equality Analysis.

#### Step 1 – Identifying outcomes and delivery mechanisms (in relation to what you are assessing)

<b>What outcomes are sought and for whom?</b>	To assist working age residents who have low incomes to pay their council tax
<b>Are there any associated policies, functions, services or procedures?</b>	All working age council tax support customers could be affected. Residents may be affected if they make a claim for council tax support. There is a separate statutory national scheme for those who are of pension age.
<b>If partners (including external partners) are involved in delivering the service, who are they?</b>	N/A

## Step 2 – What does the information you have collected, or that you have available, tell you?

**What evidence/data already exists about the service and its users?** (in terms of its impact on the ‘equality strands’, i.e. race, disability, gender, gender re-assignment, age, religion or belief, sexual orientation, maternity/pregnancy, marriage/civil partnership and other socially excluded communities or groups) and **what does the data tell you?** e.g. are there any significant gaps?

We hold data such as the age and gender of people currently claiming council tax support. We also hold some information about disability and ethnicity, However, this information is not complete as it does not have to be provided when making a claim for Council Tax Support. Below is a breakdown of the data we hold

Total council tax support caseload 23,822 of those 10,659 are of pension age and will not be affected.

We hold the following data including Gender, for the total working age cases of 13163 who could be affected:

Working Age	Caseload	13163			
	Single female	Single male	Single gender unknown	Couples	Grand Total
No dependant	1708	2418	106	375	4607
dependants	3177	166	131	1302	4776
disabled no children	1168	941	88	686	2883
dependants and disabled	364	34	21	478	897
Totals	6417	3559	346	2841	13163

We hold the following data for Ethnic background for 7585 customers:

Ethnicity					
	Asian	Black	White	Mixed Background	Other
	800	852	5268	464	201

Of 464 with a mixed background and of those 342 describe themselves as white / back Caribbean. 201 described themselves as other.

We do not hold data about religion and beliefs, sexual orientation, gender reassignment, pregnancy or maternity

We have identified that there will some customers who are receiving universal credit and who will be affected by removing the additional earnings disregard. Our estimated figures show that of the working age caseload of 131163 customers 198 customers could be affected by the change. These customers could see a reduction in their council tax support award by an average of £2.62 per week The data we hold about those affected customers is below:

Total households affected	198		
	Single Female	Single Male	Couples
With dependants	115	4	48
No dependants	5	8	18

Ethnicity	198					
	Asian	Black	White	Mixed Background	Unknown	other
	9	22	84	15	64	4

Households receiving a disability related income	15		
	Single Female	Single Male	Couples
With dependants	2	0	2
No dependants	3	4	4

**Has there been any consultation with, or input from, customers / service users or other stakeholders?** If so, with whom, how were they consulted and what did they say? If you haven't consulted yet and are intending to do so, please list which specific groups or communities you are going to consult with and when.

The council has carried out a public consultation which was open from 28 August 2018 to 19 November 2019. The consultation was in the form of an online survey. The survey was available in other formats upon request. Details about the consultation was displayed on digital notice boards in the civic centre and libraries throughout the City and posters were on display in the 3 main Jobcentres, there was a local press release, social media campaign. Community groups and volunteers that were likely to be knowledgeable about the proposals such as citizens advice, refuge and migrant centre, access 2 business, job change, transforming communities together, social housing providers and private landlords, Wolverhampton Homes were also contacted by email this included the Wolverhampton Voluntary Sector Council.

The proposed changes are not expected to make savings in the cost of awards under the scheme but are designed to make it cheaper to administer. In respect of the minimum change rule, increases in income that would otherwise reduce entitlement are as likely to occur as decreases in income that would otherwise increase entitlement. Indeed a household could well have both situations in a single billing year. The level proposed for the minimum change rule was considered proportionate, balancing the impact on administration with the impact on households already on a low income. The proposed level of £3 weekly change in entitlement was one of the consultation questions, with respondents invited to suggest an alternative amount. Half of respondents agreed with the proposed rate.

**Are there any complaints, compliments, satisfaction surveys or customer feedback that could help inform this assessment? If yes, what do these tell you?**

Feedback is included in the M.E.L Report

### Step 3 – Identifying the negative impact.

a. Is there any negative impact on individuals or groups in the community?

✓                          Page 40	<p><b>Barriers:</b></p> <p>What are the potential or known barriers/impacts for the different 'equality strands' set out below? Consider:</p> <ul style="list-style-type: none"> <li>• <b>Where</b> you provide your service, e.g. the facilities/premises;</li> <li>• <b>Who</b> provides it, e.g. are staff trained and representative of the local population/users?</li> <li>• <b>How</b> it is provided, e.g. do people come to you or do you go to them? Do any rules or requirements prevent certain people accessing the service?</li> <li>• <b>When</b> it is provided, e.g. opening hours?</li> <li>• <b>What</b> is provided, e.g. does the service meet everyone's needs? How do you know?</li> </ul> <p>* Some barriers are justified, e.g. for health or safety reasons, or might actually be designed to promote equality, e.g. single sex swimming/exercise sessions, or cannot be removed without excessive cost. If you believe any of the barriers identified to be justified then please indicate which they are and why.</p> <p><b>Solutions:</b></p> <p>What can be done to minimise or remove these barriers to make sure everyone has equal access to the service or to reduce adverse impact? Consider:</p> <ul style="list-style-type: none"> <li>• Other arrangements that can be made to ensure people's diverse needs are met;</li> <li>• How your actions might help to promote good relations between communities;</li> <li>• How you might prevent any unintentional future discrimination.</li> </ul>		
	Equality Themes	Positive Impacts	Negative Impacts identified
<b>Age</b> (including children, young people and older	The scheme will assist all age groups who are below state	The statutory national scheme available for pensioners is of greater	Consider introducing Transitional Protection for those affected.



<p>people)</p>	<p>pension age who have a low income. This will include families with children.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support.</p> <p>We are retaining elements of the scheme that positively impact on young people, for example protection for single people under 25 who can get up to 88% of their council tax paid rather than 78% for those over 25.</p>	<p>financial benefit to the individuals concerned.</p> <p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition, some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard.</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the additional earnings disregards and could be affected by an average of loss of £2.62 per week.</p>	<p>We have a Discretionary Council Tax Hardship Policy</p>
<p><b>Disability</b></p>	<p>The scheme will assist those disabled people who have a low income.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>

	<p>We are retaining elements of the scheme that positively impact on people with disabilities, for example disregard of disability related benefits and protection for disabled people who can get up to 88% of their council tax paid rather than 78% for those without a disability.</p>	<p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of loss of £2.62 per week.</p>	
<p><b>Gender</b> (men and women)</p> <p>Page 42</p>	<p>The scheme will assist people on a low income on an equal basis irrespective of gender.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>A higher proportion of women than men currently claim assistance due to receiving a low income.</p> <p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>

		loss of £2.62 per week	
<p><b>Race</b> (including Gypsies &amp; Travellers and Asylum Seekers)</p> <p style="text-align: center;">Page 43</p>	<p>The scheme will assist people on a low income on an equal basis irrespective of their race.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the additional earnings disregard and could be affected by an average of loss of £2.62 per week</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>
<p><b>Religion or belief</b> (including people of no religion or belief)</p>	<p>The scheme will assist people on a low income on an equal basis irrespective of their religious belief or if they have no religious belief.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>

		<p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of loss of £2.62 per week</p>	
<p><b>Gender Re-assignment</b> (those that are going or have gone through a transition: male to female or female to male)</p> <p>Page 44</p>	<p>The scheme will assist people on a low income irrespective of whether they are going through or have gone through a transition.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of loss of £2.62 per week</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>
<p><b>Pregnancy and Maternity</b></p>	<p>The scheme will assist people on a low income who are pregnant or on Maternity Leave.</p> <p>Working age claimants could be</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>

	<p>positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of loss of £2.62 per week</p>	
<p><b>Sexual orientation</b> (including gay, lesbian, bisexual and heterosexual)</p> <p>39 45</p>	<p>The scheme will assist people on a low income irrespective of sexual orientation</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>

		loss of £2.62 per week	
<p style="text-align: center;">Page 46</p> <p><b>Marriage and Civil Partnership</b></p>	<p>The scheme will assist people on a low income irrespective of whether they are married or in a Civil Partnership.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p> <p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of loss of £2.62 per week</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>
<p><b>Human Rights</b></p>	<p>The scheme will assist all individuals meet their Council Tax liabilities if they have a low income.</p> <p>Working age claimants could be positively affected by slight increases in income as they wouldn't immediately receive a decreased amount of Council Tax Support</p>	<p>Working age claimants could be negatively affected by slight decreases in income. The decreases would not immediately increase the amount of Council Tax Support.</p> <p>In addition some customers who are receiving universal credit could be negatively affected by the removal of the additional earnings disregard</p>	<p>Consider introducing Transitional Protection for those affected.</p> <p>We have a Discretionary Council Tax Hardship Policy</p>

		<p>The maximum they could lose is £3.93 per week in council tax support.</p> <p>From the data we hold it is estimated that there are 198 households who receive the addition earnings disregard and could be affected by an average of loss of £2.62 per week</p>	
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### Step 4 – Changes or mitigating actions proposed or adopted

**Having undertaken the assessment are there any changes necessary to the existing service, policy, function or procedure? What changes or mitigating actions are proposed?**

In response it is recommended that each household affected by loss of the additional earnings disregard is given transitional protection for one year by a one-off award equivalent to the reduction in their council tax support for the 2019-2020 billing year

### Step 5 – Monitoring

**How are you going to monitor the existing service, function, policy or procedure?**


We intend to monitor the impact of introducing a minimum change rule by carrying out a short study between April and August 2019. We will focuss on the impact of the minimum change rule and whether there is an increased incidence of income decreasing rather than increasing and any differential impact from an equalities perspective.

### Part C - Action Plan

Barrier/s or improvement/s identified	Action Required	Lead Officer	Timescale

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**Equality Analysis approved by:**

Head of Service: 	Date: 17 December 2018
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**Please send an electronic copy of the Equality Analysis to the Equality & Diversity Team:**



**City of Wolverhampton Council**  
**Council Tax Reduction Scheme**  
S13A and Schedule 1a of the Local Government Finance Act 1992

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## 1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period 1<sup>st</sup> April 2019 until 31<sup>st</sup> March 2020.
- 1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1<sup>st</sup> April 2019 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
  - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
  - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
  - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
  - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
  - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
  - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015;
  - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
  - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017
  - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018; and
  - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

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

- 1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;
- a. has attained the qualifying age for state pension credit; and
  - b. is not, or, if he has a partner, his partner is not;
    - i. a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance; or
    - ii. a person with an award of universal credit

The three prescribed classes are as follows;

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

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

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the

- c. day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- e. not have capital savings above £16,000; and
- f. who has made an application for a reduction under the authority's scheme.

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

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

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income for the relevant week is greater than his applicable amount calculated in accordance with paragraph 9 and Schedule 2 to the Local Government Finance Act 1992;
- e. in respect of whom amount A exceeds amount B where:
  - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
  - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount;
- g. not have capital savings above £16,000; and
- h. who has made an application for a reduction under the authority's scheme.

**Class C: alternative maximum Council Tax Reduction**

On any day class C consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day;
- c. in respect of whom a maximum Council Tax Reduction amount can be calculated;
- d. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act and excluded from the authority's scheme;
- e. who has made an application for a reduction under the authority's scheme; and
- f. in relation to whom the condition below is met.

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

The above applies to any other resident of the dwelling who:

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
  - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or



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

#### **Disregard of certain incomes**

- 1.5 For those who have reached the qualifying age for state pension credit, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 to disregard in full the following:
- a. a war disablement pension;
  - b. a war widow's pension or war widower's pension;
  - c. a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - d. a guaranteed income payment;
  - e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
  - f. a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
  - g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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

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

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

#### **Class D**

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit<sup>1</sup>; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of

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

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

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

#### Class E

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit<sup>7</sup>; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction<sup>8</sup> amount can be calculated;
- g. not have capital savings above £6,000<sup>9</sup>;
- h. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*<sup>10</sup> is **more** than their *applicable amount*<sup>11</sup>;
- i. have made a valid application for reduction<sup>12</sup>;
- j. be a person in respect of whom amount A exceeds amount B where
  - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
  - (ii) amount B is 3 2/7 per cent of the difference between his income for the relevant week and his applicable amount.

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

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

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

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

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

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

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

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

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

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

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

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

### **Council Tax Reduction Scheme**

Details of reduction to be given for **working age applicants** for the financial year 2019/20

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

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

### 2.1 In this scheme:

**‘the Act’** means the Social Security Contributions and Benefits Act 1992;

**‘the Administration Act’** means the Social Security Administration Act 1992;

**‘the 1973 Act’** means the Employment and Training Act 1973;

**‘the 1992 Act’** means the Local Government Finance Act 1992;

**‘the 2000 Act’** means the Electronic Communications Act 2000;

**‘Abbeyfield Home’** means an establishment run by the Abbeyfield Society including all bodies corporate or incorporate which are affiliated to that Society;

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

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

**‘applicable amount’** means the amount determined in accordance with schedule 1 of this scheme;

**‘applicant’** means a person who the authority designates as able to claim Council Tax Reduction – for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

**‘application’** means an application for a reduction under this scheme:

**‘appropriate DWP office’** means an office of the Department for Work and Pensions dealing with state pension credit or office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance;

**‘assessment period’** means such period as is prescribed in sections 19 to 21 over which income falls to be calculated;

**‘attendance allowance’** means–

- a. an attendance allowance under Part 3 of the Act;
- b. an increase of disablement pension under section 104 or 105 of the Act;
- c. a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;
- d. an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;
- e. a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or
- f. any payment based on need for attendance which is paid as part of a war disablement pension;

**‘the authority’** means a billing authority in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

**‘Back to Work scheme(s)’** means any scheme defined within the Jobseekers (Back to Work Schemes) Act 2013 or Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

**‘basic rate’**, where it relates to the rate of tax, has the same meaning as in the Income Tax Act 2007 (see section 989 of that Act).

**‘the benefit Acts’** means the Act (SSBA) and the Jobseekers Act 1995 and the Welfare Reform Act 2007;

**‘board and lodging accommodation’** means accommodation provided to a family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or 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 as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;

**‘the Children Order’** means the Children (Northern Ireland) Order 1995;

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

**‘claim’** means a claim for Council Tax Reduction;

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

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

**‘the Consequential Provisions Regulations’** means the Housing Benefit and Council Tax Reduction (Consequential Provisions) Regulations 2006;

**‘contributory employment and support allowance’** means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;

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

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

**‘Council Tax Reduction scheme’** has the same meaning as **‘Council Tax Reduction or reduction’**

**‘Council Tax Reduction’** means Council Tax Reduction as defined by S13a Local Government Finance Act 1992 (as amended);

**‘couple’** means:

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

Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes. The above includes the Marriage (Same Sex Couples) Act 2013 and The Marriage (Same Sex Couples) Act 2013 (Commencement No. 3) Order 2014;

**‘date of claim’** means the date on which the application or claim is made, or treated as made, for the purposes of this scheme

**‘designated authority’** means any of the following:

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

**‘designated office’** means the office designated by the authority for the receipt of claims for Council Tax Reduction;

- a. by notice upon or with a form approved by it for the purpose of claiming Council Tax Reduction; or
- b. by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or

c. by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

**‘disability living allowance’** means a disability living allowance under section 71 of the Act;

**‘dwelling’** has the same meaning in section 3 or 72 of the 1992 Act;

**‘earnings’** has the meaning prescribed in section 25 or, as the case may be, 27;

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

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

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

**‘Employment and Support Allowance Regulations’** means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;

**‘Employment and Support Allowance (Existing Awards) Regulations’** means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

**‘the Employment, Skills and Enterprise Scheme’** means a scheme under section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **‘Back to Work Schemes’**;

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

**‘employment zone contractor’** means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;

**‘enactment’** includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

**‘extended reduction’** means a payment of Council Tax Reduction payable pursuant to section 60;

**‘extended reduction period’** means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;

**‘extended reduction (qualifying contributory benefits)’** means a payment of Council Tax Reduction payable pursuant to section 61;

**‘family’** has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

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

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

**‘he, him, his’** also refers to the feminine within this scheme

**‘housing benefit’** means housing benefit under Part 7 of the Act; ‘the Housing Benefit Regulations’ means the Housing Benefit Regulations 2006;

**‘Immigration and Asylum Act’** means the Immigration and Asylum Act 1999;

**‘an income-based jobseeker’s allowance’** and **‘a joint-claim jobseeker’s allowance’** have the 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;

**'Income Support Regulations'** means the Income Support (General) Regulations 1987(a);  
**'independent hospital'**–

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

(b) in Wales, has the meaning assigned to it by section 2 of the Care Standards Act 2000; and

(c) in Scotland means an independent health care service as defined 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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



- appropriate authority to a dwelling in the area of the second authority;
- ‘net earnings’** means such earnings as are calculated in accordance with section 26;
- ‘net profit’** means such profit as is calculated in accordance with section 28;
- ‘the New Deal options’** means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- ‘new dwelling’** means, for the purposes of the definition of ‘second authority’ and sections 60C, and 61C the dwelling to which a applicant has moved, or is about to move, in which the applicant is or will be resident;
- ‘non-dependant’** has the meaning prescribed in section 3;
- ‘non-dependant deduction’** means a deduction that is to be made under section 58;
- ‘occasional assistance’** means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:
- a. meeting, or helping to meet an immediate short-term need;
    - (i) arising out of an exceptional event or exceptional circumstances, or
    - (ii) that needs to be met to avoid a risk to the well-being of an individual, and—
  - b. enabling qualifying individuals to establish or maintain a settled home, and—
    - (i) ‘local authority’ has the meaning given by section 270(1) of the Local Government Act 1972 ;and
    - (ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:
      - (aa) in prison, hospital, an establishment providing residential care or other institution, or
      - (bb) homeless or otherwise living an unsettled way of life; and ‘local authority’ means a local authority in England within the meaning of the Local Government Act 1972;
- ‘occupational pension’** means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;
- ‘occupational pension scheme’** has the same meaning as in section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- ‘ordinary clothing or footwear’** means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;
- ‘partner’** in relation to a person, means
- a. where that person is a member of a couple, the other member of that couple;
  - b. subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
  - c. where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;
- ‘paternity leave’** means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;
- ‘payment’** includes part of a payment;
- ‘pensionable age’** has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;
- ‘pension fund holder’** means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;
- ‘pensioner’** a person who has attained the age at which pension credit can be claimed;
- ‘person affected’** shall be construed as a person to whom the authority decides is affected by any decision made by the council;
- ‘person on income support’** means a person in receipt of income support;
- ‘personal independence payment’** has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;
- ‘person treated as not being in Great Britain’** has the meaning given by section 7;
- ‘personal pension scheme’** means—
- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as

amended by the Public Service Pension Act 2013;

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

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

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

- 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.

**'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 course'** means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996

**'qualifying income-related benefit'** means

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

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

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

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

**'relevant authority'** means an authority administering Council Tax Reduction;

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

**'remunerative work'** has the meaning prescribed in section 6;

**'rent'** means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

**'resident'** has the meaning it has in Part 1 or 2 of the 1992 Act;

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

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

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

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

- c. the Employment, Skills and Enterprise Scheme;
- d. a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- e. Back to Work scheme.

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

- a. a person who is being consulted by or on behalf of—
  - (i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
  - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- b. the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph;

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

**'special account'** means an account as defined for the purposes of Chapter 4A of Part 8 of the Jobseeker's Allowance Regulations or Chapter 5 of Part 10 of the Employment and Support Allowance Regulations;

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

**'the SSCBA'** means the Social Security Contributions and Benefits Act 1992

**'State Pension Credit Act'** means the State Pension Credit Act 2002;

**'student'** has the meaning prescribed in section 43;

**'subsistence allowance'** means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

**'the Tax Credits Act'** means the Tax Credits Act 2002;

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

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

- a. out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People's Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;
- b. to a person for his maintenance or in respect of a member of his family; and
- c. for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

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

**'the Trusts'** means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust;

**'Universal Credit'** means any payment of Universal Credit payable under the Welfare Reform Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

**'Up-rating Act'** means the Welfare Benefit Up-rating Act 2013, the Welfare Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2015;

**'voluntary organisation'** means a body, other than a public or local authority, the activities of

which are carried on otherwise than for profit;

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

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

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

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

**'water charges'** means;

- a. as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,
- b. as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

**'week'** means a period of seven days beginning with a Monday;

**'Working Tax Credit Regulations'** means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended<sup>13</sup>; and

**'young person'** has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this 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 or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or
  - b. which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
  - c. in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
  - d. in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.4A For the purposes of this 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:

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<sup>13</sup> The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- a. in respect of which he satisfies the conditions for entitlement to an income- related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
  - b. which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income- related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.6 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).
- 3.0 Definition of non-dependant**
- 3.1 In this scheme, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.
- 3.2 This paragraph applies to:
- a. any member of the applicant's family;
  - b. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
  - c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
  - d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
  - e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
  - f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- 3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant:
- a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
    - i. that person is a close relative of his or her partner; or
    - ii. the tenancy or other agreement between them is other than on a commercial basis;
  - b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
  - c. a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the reduction scheme.

#### **4.0 Requirement to provide a National Insurance Number<sup>14</sup>**

4.1 No person shall be entitled to reduction unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming reduction.

4.2 This subsection is satisfied in relation to a person if–

- a. the claim for reduction is accompanied by;
  - i. a statement of the person’s national insurance number and information or evidence establishing that that number has been allocated to the person; or
  - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
- b. the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

4.3 Paragraph 4.2 shall not apply:

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

#### **5.0 Persons who have attained the qualifying age for state pension credit**

5.1 This scheme applies to a person if:

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

#### **6.0 Remunerative work**

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

6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;

- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- b. in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person’s weekly average hours of work to be determined more accurately,

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<sup>14</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
  - b. no other payment is made or is expected to be made to him.

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

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

- 7.1** Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2** Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 7.3** A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4** For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations or Article 6 of Council Directive 2004/38/EC;
  - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
    - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
    - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
  - (ab) Article 45 of the Treaty on the functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
  - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.5** A person falls within this paragraph if the person is—
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
  - (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
  - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
  - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
  - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971<sup>15</sup> where that leave is—
    - (i) discretionary leave to enter or remain in the United Kingdom,
    - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
    - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
  - (f) a person who has humanitarian protection granted under those rules;
  - (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;

<sup>15</sup> As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014



- (h) in receipt of income support or on an income-related employment and support allowance;
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4) or
- (i) a person who is treated as a worker for the purpose of the definition of "qualified person" in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013 (right of residence of a Croatian who is an "accession State national subject to worker authorisation")

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

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

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

**Persons subject to immigration control**

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

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

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

**7A.0 Transitional provision**

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority's scheme established under section 13A(2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker's allowance.

**7A.3 In this section "the Act" means the Local Government Finance Act 1992.**

**8.0 Temporary Absence (period of absence)**

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

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

- 8.3 In paragraph 8.2, a 'period of temporary absence' means:
- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
    - i. the person resides in that accommodation;
    - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
    - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;
  - b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as:
    - i. the person intends to return to the dwelling;
    - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
    - iii. that period is unlikely to exceed 13 weeks; and
  - c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as:
    - i. the person intends to return to the dwelling;
    - ii. the part of the dwelling in which he usually resided is not let or sub-let;
    - iii. the person is a person to whom paragraph 8.4 applies; and
    - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.
- 8.4 This paragraph applies to a person who is:
- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
    - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
    - ii. in premises approved under section 13 of the Offender Management Act 2007, or, detained in custody pending sentence upon conviction;
  - b. resident in a hospital or similar institution as a patient;
  - c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
  - d. following, in the United Kingdom or elsewhere, a training course;
  - e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
  - f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
  - g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
  - h. a student;
  - i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
  - j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.
- 8.5 This paragraph applies to a person who is:
- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986; and
  - b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

- 8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—
- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
  - b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
  - c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident
- 8.7 In this section:
- ‘medically approved’ means certified by a medical practitioner;
  - ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
    - a. in a care home;
    - b. in an independent hospital;
    - c. in an Abbeyfield Home; or
    - d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
  - ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

**Sections 9 - 11**

**The family for Council tax reduction purposes**

**9.0 Membership of a family**

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

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

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

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

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

10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies.

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

ii. in any other case the person who has the primary responsibility for him.

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

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

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

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

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002<sup>16</sup> or the Adoption Agencies (Scotland) Regulations 2009.

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

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

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

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

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 as amended.

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<sup>16</sup> The Adoption and Children Act 2002 (Commencement No. 12) Order 2014

**Sections 12 – 14 & Schedule 1**

**Applicable Amounts for Council tax reduction purposes**

**12.0 Applicable amounts**

12.1 Subject to sections 13 and 14, an applicant's weekly applicable amount shall be aggregate of such of the following amounts as may apply in his case;

- a. an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 as the case may be, of Schedule 1 of this scheme;
- b. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme in respect of any child or young person who is a member of his family;
- c. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium);
- d. the amount of any premiums which may be applicable to him, determined in accordance with paragraphs 4 to 16 of Schedule 1 of this document (premiums).
- e. the amount of either the
  - i. work-related activity component; or
  - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 of this document (the components)
- f. the amount of any transitional addition which may be applicable to him in accordance with paragraph 19 to 20 of Schedule 1 of this scheme (transitional addition).

**13.0 Polygamous marriages**

13.1 Subject to section 14, where an applicant is a member of a polygamous marriage, his weekly applicable amount shall be the aggregate of such of the following amounts as may apply in his case:

- a. the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this scheme as if he and that partner were a couple;
- b. an amount equal to the lowest amount within paragraph 1 of Schedule 1 of this scheme in respect of each of his other partners;
- c. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme (applicable amounts or living allowances) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in paragraph 3 of Schedule 1 of this scheme (family premium);
- e. the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this scheme (premiums).
- f. the amount of either the;
  - i. work-related activity component; or
  - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 (the components).
- g. the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this scheme (transitional addition)

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

14.1 In determining the applicable amount for a week of an applicant:

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

an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (2).

14.2 The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12



and divide the product by 52.

- 14.3 In this paragraph “maximum amount” means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012

**Sections 15 – 32 & Schedules 3 & 4**

**Definition and the treatment of income for Council tax reduction purposes**

**15.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage**

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

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

- 15.2 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.

- 15.3 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.

**15A.0 Calculation of income and capital: persons who have an award of universal credit**

- 15A.1 In determining the income of an applicant
- a. who has, or
  - b. who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

- 15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of
- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
  - (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings: persons who are not pensioners);
  - (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
  - (d) section 33 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
  - (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52. For the avoidance of doubt, the award of Universal Credit will be determined by reference to the gross award as determined by the Department for Work and Pensions disregarding any deductions or sanctions made.

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

- 15A.5 In determining the capital of an applicant;
- (a) who has, or
  - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital of

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

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

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

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

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

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

- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
- b. by adding to that amount the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 17.2 are met, from those earnings plus whichever credit specified in sub-paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

17.2 The conditions of this paragraph are that;

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

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

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

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

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

**18.0 Treatment of child care charges**

18.1 This section applies where an applicant is incurring relevant child-care charges and:

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

- following their sixteenth birthday; or
- b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
  - c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
  - d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
  - e. by;
    - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
    - ii. local authorities registered under section 8(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
  - f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
  - g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
  - h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
  - i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
  - j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
  - k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
  - l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
  - m. by a person who is not a relative of the child wholly or mainly in the child's home.
- 18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.
- 18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.
- 18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where
- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work
  - b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
  - c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support

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

18.12 For the purposes of paragraph 18.11 once paragraph 18.11 (d) applies to the applicant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

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

- 18.13 For the purposes of paragraphs 18.6 and 18.8 (a), a person is disabled if he is a person:
- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
  - b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
  - c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- 18.14 For the purposes of paragraph 18.1 a woman on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that—
- a. in the week before the period of maternity leave, paternity leave or shared parental leave effective from 5/4/2015 or adoption leave began she was in remunerative work or adoption leave began she was in remunerative work;
  - b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
  - c. she is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.
- 18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on—
- a. the date that leave ends;
  - b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
  - c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.
- whichever shall occur first.
- 18.16 In paragraphs 18.14 and 18.15
- a. '**qualifying support**' means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
  - b. '**child care element**' of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.
- 18.17 In this section 'applicant' does not include an applicant;
- a. who has, or
  - b. who (jointly with his partner) has,
- an award of universal credit
- 19.0 Average weekly earnings of employed earners**
- 19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment:
- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
    - i. 5 weeks, if he is paid weekly; or
    - ii. 2 months, if he is paid monthly; or
  - b. whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate,



over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;

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

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

### **23.0 Calculation of weekly income**

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

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

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

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

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

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

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

### **25.0 Earnings of employed earners**

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

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;

- f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
- g. (i) travelling expenses incurred by the applicant between his home and his place of employment;  
(ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended<sup>17</sup>.

25.2 Earnings shall not include—

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of an applicant participating as a service user.

25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)

**26.0 Calculation of net earnings of employed earners**

26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

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

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
  - i) income tax;
  - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and

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<sup>17</sup> Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

- d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

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

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

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

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

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

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

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

27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

27.3 This paragraph applies to:

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

the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

- 27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by:
- a. the amount of the reduction under this scheme which would be payable 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 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

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

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be
- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
  - b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
    - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
    - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.
- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less
- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
  - b. an amount in respect of;
    - (i) income tax, and
    - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 (a) or 28.4, in respect of:
- a. any capital expenditure;
  - b. the depreciation of any capital asset;
  - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
  - d. any loss incurred before the beginning of the assessment period;

- e. the repayment of capital on any loan taken out for the purposes of the employment;
  - f. any expenses incurred in providing business entertainment, and
  - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 (a) or 28.4 in respect of the repayment of capital on any loan used for:
- a. the replacement in the course of business of equipment or machinery; and
  - b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a. or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt:
- a. deduction shall not be made under paragraph 28.3 (a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
  - b. a deduction shall be made thereunder in respect of—
    - i. the excess of any value added tax paid over value added tax received in the assessment period;
    - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
    - iii. any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- a. income tax; and
  - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
  - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.
- 29.0 Deduction of tax and contributions of self-employed earners**
- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic

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

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

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

29.3 In this section 'chargeable income' means—

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

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

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 30.2 to 30.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 30.1, any sum, where applicable, specified in Schedule 4.

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

30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 30.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

- 30.7 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.
- 30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—  
$$\frac{A - (B \times C)}{D}$$
  
Where  
A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5  
B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;  
C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to council tax reduction;  
D = the number of reduction weeks in the assessment period.
- 30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if:  
A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5
- 30.10 In this section— ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of sections 43 to 45, ‘assessment period’ means:
- 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 these dates is earlier
- ‘quarter’ in relation to an assessment period means a period in that year beginning on;
- a. 1st January and ending on 31st March;
  - b. 1st April and ending on 30th June;
  - c. 1st July and ending on 31st August; or
  - d. 1st September and ending on 31st December;
- ‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.
- 30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1



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

**31.0 Capital treated as income**

- 31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £6,000, be treated as income.
- 31.2 Any payment received under an annuity shall be treated as income.
- 31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.
- 31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income
- 31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

**32.0 Notional income**

- 32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.
- 32.2 Except in the case of–
- a. a discretionary trust;
  - b. a trust derived from a payment made in consequence of a personal injury;
  - c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
  - d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
  - e. any sum to which paragraph 48(a) of Schedule 5 refers;
  - f. rehabilitation allowance made under section 2 of the 1973 Act;
  - g. child tax credit; or
  - h. working tax credit; or
  - i. any sum to which paragraph 32.13 applies;
- any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.
- 32.3 – 32.5 Not used
- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–
- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a

- personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
  - c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made:
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
  - b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
  - c. pursuant to section 2 of the 1973 Act in respect of a person's participation—
    - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
    - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
    - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
    - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
    - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
  - d. in respect of a person's participation in the Work for Your Benefit Pilot Scheme
  - e. in respect of a previous 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 (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.
- 32.9 Subject to paragraph 32.10, where:
- a. applicant performs a service for another person; and
  - b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for

the service.

32.10 Paragraph 32.9 shall not apply:

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

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

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

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

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

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

**Sections 33 – 42 & Schedule 5**

**Definition and the treatment of capital for Council tax reduction purposes**

**33.0 Capital limit**

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

**34.0 Calculation of capital**

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

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

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

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

**36.0 Income treated as capital**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,  
less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

**39.0 Notional capital**

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

39.2 Except in the case of:

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

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

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

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

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

- a. under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- b. pursuant to section 2 of the 1973 Act in respect of a person's participation:
  - i. in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's

Allowance Regulations;

- ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
- v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- c. in respect of a person's participation in the Mandatory Work Activity Scheme;
- d. Enterprise Scheme;
- e. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme;
- f. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
  - i. a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
  - ii. the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; andthe person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

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

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

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

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

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

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

40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that:

- a. he is in receipt of council tax reduction; and

- b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.
- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of:
- a. the additional amount to which sub-paragraph 40.2 (b) refers;
  - b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
  - c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
  - d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
  - e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of:
- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
  - b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
    - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
    - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
  - c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
  - d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes



- of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.
- 40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case:
- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.
- 40.6 The conditions are that:
- a. a further claim is made 26 or more weeks after
- (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
- (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
- (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
- b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.
- 40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.
- 40.8 For the purposes of this section
- a. 'part-week'
- (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
- (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
- (iii) in paragraph 40.4 (c),(d) and (e) means—
- aa. a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
- bb. any other period of less than a week for which it is payable;
- b. 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1
- (i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or
- (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;
- and where more than one reduction week is identified by reference to heads (i) and (ii)

of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- c. 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

**41.0 Capital jointly held**

41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess

**42.0 Not used**

**Sections 43 - 56**

**Definition and the treatment of students for Council tax reduction purposes<sup>18</sup>**

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<sup>18</sup> Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)

#### 43.0 Student related definitions

43.1 In this scheme the following definitions apply;

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

**'access funds'** means:

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

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

**'contribution'** means;

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

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

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

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

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

- a. is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers

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

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

**'grant'** (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

**'grant income'** means:

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

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

**'last day of the course'** means:

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

**'period of study'** means:

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

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

**'qualifying course'** means a qualifying course as defined for the purposes of Parts 2 and 4 of the

Jobseeker's Allowance Regulations;

**'modular course'** means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

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

**'standard maintenance grant'** means:

- a. except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 ('the 2003 Regulations') for such a student;
- b. except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;
- c. in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as 'standard maintenance allowance' for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- d. in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

**'student'** means a person, other than a person in receipt of a training allowance, who is attending or undertaking:

- a. a course of study at an educational establishment; or
- 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 shall include, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Student's Allowances (Scotland) Regulations 2007

- 43.2 For the purposes of the definition of 'full-time student', a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course
- a. in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending:
    - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
    - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
  - b. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.
- 43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;
- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
  - b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

**44.0 Treatment of students**

44.1 The following sections relate to students who claim Council tax reduction

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

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

45.2 To be eligible for reduction, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this scheme (persons from aboard).

45.3 Paragraph 45.2 shall not apply to a student:

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

(b) who is a lone parent;

(c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

i) aged under 21 and whose course of study is not a course of higher education

ii) aged 21 and attained that age during a course of study which is not a course of higher education;

iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person).

(j) in respect of whom

i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support)

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

on account of his disability by reason of deafness.

45.3A Paragraph 45.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if:

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
  - (i) engaged in caring for another person; or
  - (ii) ill;
- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

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

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

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

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

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

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;



- (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;
  - (f) intended to meet the cost of books and equipment;
  - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
  - (h) intended for the child care costs of a child dependant.
  - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).
- 46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
  - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.
- 47.0 Calculation of covenant income where a contribution is assessed**
- 47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.

- 47.2 The weekly amount of the student's covenant shall be determined:
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
  - (b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

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

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows:

- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that:

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

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

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

**50.0 Other amounts to be disregarded**

50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

**51.0 Treatment of student loans**

51.1 A student loan shall be treated as income.

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

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the

period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;

(ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,

(b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

(c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

(d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;

(i) the first day of the first reduction week in September; or

(ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

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

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

(a) a student loan has been made to him in respect of that year; or

(b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5

(a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to

(i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and

(ii) any contribution whether or not it has been paid to him;

(b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;

(i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and

(ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

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

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

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

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4:

- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
- b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

- 52.4 Where a payment from access funds is made:

- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
  - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

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

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

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

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

**55.0 Income treated as capital**

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

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

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

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

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

**Sections 57 – 63**

**The calculation and amount of Council tax reduction**

## 57.0 Maximum council tax reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax reduction in respect of a day for which he is liable to pay council tax, shall be 78 per cent, of the amount A divided by B where:

- (a) A is the lower of either:
- i. 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; or
  - ii. the amount set by the authority as the council tax for the relevant financial year in respect of a dwelling with a council tax band of C 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 section 58 (non-dependant deductions).

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

Where:

- the applicant or their partner is receiving the higher rate of the care component of the disability living allowance or the enhanced rate of the daily living component of the personal independence payment; or
- the applicant or partner is responsible for a dependant child or young person who are entitled to receive the enhanced disability premium for a child; or
- the applicant is a single person less than 25 years of age without dependent child(ren) or young person (s)

then the maximum percentage as given in paragraph 57.1 shall be 88 per cent.

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

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

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

## 58.0 Non-dependant deductions<sup>19</sup>

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

- (a) in respect of a non-dependant aged 18 or over in remunerative work,  $£12.82 \times 1/7$ ;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply,  $£4.20 \times 1/7$ .

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<sup>19</sup> Each year the relevant non-dependant deductions will be uprated by the increase notified in the The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015 plus 5%

- 58.2 In the case of a non-dependant aged 18 or over to whom paragraph 58.1(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—
- (a) less than £207.70, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
  - (b) not less than £207.70, but less than £360.10, the deduction to be made under this section shall be £8.50 x 1/7;
  - (c) not less than £360.10, but less than £447.40, the deduction to be made under this section shall be £10.70 x 1/7;
- 58.3 Only one deduction shall be made under this section in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount shall be deducted.
- 58.4 In applying the provisions of paragraph 58.2 in the case of a couple or, as the case may be a polygamous marriage, regard shall be had, for the purpose of that paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.
- 58.5 Where in respect of a day:
- (a) a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
  - (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
  - (c) the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.
- 58.6 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is:
- (a) blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
  - (b) receiving in respect of himself
    - (i) attendance allowance, or would be receiving that allowance but for
      - (aa) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - (bb) an abatement as a result of hospitalisation; or
    - (ii) the care component of the disability living allowance, or would be receiving that component but for
      - (aa) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - (bb) an abatement as a result of hospitalisation; or
  - (c) 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);
  - (d) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.
- 58.7 No deduction shall be made in respect of a non-dependant if;
- (a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
  - (b) he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or



- (c) he is a full time student within the meaning of section 44.0 (Students); or
- (d) he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
  - (i) 'patient' has the meaning given within this scheme, and
  - (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
- (e) he is not residing with the claimant because he is a member of the armed forces away on operations

58.8 No deduction shall be made in respect of a non-dependant;

- (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 of the 1992 Act applies (persons disregarded for purposes of discount) but this sub-paragraph shall not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers;
- (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.";  
For the purposes of sub-paragraph (c), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

58.9 In the application of paragraph 58.2 there shall be disregarded from his weekly gross income—

- (a) any attendance allowance, disability living allowance or personal independence payment or an AFIP received by him;
- (b) any payment made under or by the Trusts, the Fund, the Eileen Trust , MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which had his income fallen to be calculated under section 30 (calculation of income other than earnings) would have been disregarded under paragraph 24 of Schedule 4 (income in kind); and
- (c) any payment which had his income fallen to be calculated under section 30 would have been disregarded under paragraph 36 of Schedule 4 (payments made under certain trusts and certain other payments).

#### **59.0 Council tax reduction taper (applies to persons defined within Class E)**

59.1 The prescribed daily percentage for the purpose of calculating reduction as a percentage of excess of income over the applicable amount which is deducted from maximum council tax reduction, shall be  $3 \frac{2}{7}$  per cent. Where an applicant's income exceeds their applicable amount, their council tax reduction shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax reduction as defined within section 57 of this scheme

#### **60.0 Extended reductions**

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

- (a) the applicant or the applicant's partner was entitled to a qualifying income- related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
  - (i) commenced employment as an employed or self-employed earner;
  - (ii) increased their earnings from such employment; or
  - (iii) increased the number of hours worked in such employment,and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and

- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

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

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

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

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

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

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

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

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

60A.3 The extended reduction period ends;

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

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

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

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction

- period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

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

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

**60C Extended reductions – movers**

60C.1 This section applies:

- (a) to a mover; and
- (b) from the Monday following the day of the move.

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to:

- (a) the second authority; or
- (b) the mover directly.

60C.4 Where:

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

**60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement**

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

**61.0 Extended reductions (qualifying contributory benefits)**

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where:

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
- (i) commenced employment as an employed or self-employed earner;
- (ii) increased their earnings from such employment; or
- (iii) increased the number of hours worked in such employment, and that

employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;

- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

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

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

**61A.0 Duration of extended reduction period (qualifying contributory benefits)**

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends:

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

**61B.0 Amount of extended reduction (qualifying contributory benefits)**

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of:

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

61B.2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

**61C.0 Extended reductions (qualifying contributory benefits) – movers**

61C.1 This section applies:

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to:

- (a) the second authority; or
- (b) the mover directly.

61C.4 Where:

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

**61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement**

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction– movers).

**61E.0 Extended reductions: movers into the authority's area<sup>20</sup>**

61E.1 Where;

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
  - (i) another billing authority in England; or
  - (ii) a billing authority in Wales,the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

**62.0 - 63.0 Not Used**

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<sup>20</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

**Sections 64 – 67**

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

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

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

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

**65.0 Minimum Change Rule 'Tolerance'.**

64.1 Notwithstanding any other sections within this policy, any single change in circumstance which either increases or decreases entitlement to reduction by an amount of less than £3.00 per week (the tolerance) **shall not be effected**. Where the applicant has a number of individual changes in entitlement which are less than the tolerance level **but** cumulatively the total of the changes in reduction exceed the tolerance level, **these shall be effected** from their true effective dates.

**66.0 Not Used**

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

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

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

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

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

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

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

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

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



**Sections 68– 74A**

**Claiming and the treatment of claims for Council tax reduction purposes**

**68.0 Making an application<sup>21</sup>**

68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.

68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;

- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
- (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
- (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.

68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.

68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4):

- (a) it may at any time revoke the appointment;
- (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
- (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

68.7 The authority must:

- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
- (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.

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

**69.0 Procedure by which a person may apply for a reduction under the authority's scheme<sup>22</sup>**

69.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

69.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

69.4 (1) Where an application made in writing is defective because—

- (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
- (b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

(1) Where an applicant ;

- (a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and

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

- (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;
- the first day from which the applicant had continuous good cause;
  - the day 1 months before the date the application was made;
  - the day 1 months before the date when the applicant requested that the application should include a past period.

**69A.0 Date on which an application is made**

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

(a) in a case where:

- 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
- 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;

(b) in a case where;

- 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,
- the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where;

- an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
- the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation, the date of the death or separation;

(d) in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(e) in any other case, the date on which an application is received at the designated office.

69A.2 For the purposes only of sub-paragraph (1)(a) 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:

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

have been entitled to that allowance.

- 69A.3 Where there is a defect in an 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 the application.
- 69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- 69A.5 The conditions are that:
- (a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or
  - (b) where an application is not on approved form or further information requested by authority applies;
    - (i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;
    - (ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,
  - in either case, within such longer period as the authority may consider reasonable; or
  - (c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.
- 69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.
- 69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than;
- (a) in the case of an application made by;
    - (i) a pensioner, or
    - (ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit, the seventeenth reduction week following the date on which the application is made, or
  - (b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.
- 69A.8 In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

**70.0 Submission of evidence electronically**

70.1 The authority may accept such evidence, documents and certificates to support the application electronically where it feels that this would be acceptable given the nature of the application

**71.0 Use of telephone provided evidence**

71.1 The authority may accept such evidence to support the application by telephone where it feels that this would be acceptable given the nature of the application.

**72.0 Information and evidence<sup>23</sup>**

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

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

72.3 Sub-paragraph (2) does not apply;  
(a) in the case of a child or young person in respect of whom an application for a reduction is made;  
(b) to a person who;  
(i) is a person treated as not being in Great Britain for the purposes of this scheme;  
(ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and  
(iii) has not previously been allocated a national insurance number.

72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

72.6 Where the authority makes a request under sub-paragraph (4), it must;  
(a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and  
(b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him

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

either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

- 72.7 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
  - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
  - (c) a payment which is disregarded under paragraph 58.9.

- 72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
- (a) the name and address of the pension fund holder;
  - (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

### **73.0 Amendment and withdrawal of application<sup>24</sup>**

- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

### **74.0 Duty to notify changes of circumstances<sup>25</sup>**

- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
- (a) between the making of an application and a decision being made on it, or
  - (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.
- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances

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

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

which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;

(a) in writing; or

(b) by telephone—

(i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

(ii) in any case or class of case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
  - (b) changes in the age of the applicant or that of any member of his family;
  - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances.



**Sections 75- 90**

**Decisions, decision notices and awards of Council tax reduction**

**75.0 Decisions by the authority<sup>26</sup>**

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

**76.0 Notification of decision<sup>27</sup>**

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;  
(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;  
(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;  
(a) informing the person affected of the duty imposed by 74.1;  
(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and  
(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

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

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

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

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

76.8 This sub-paragraph applies to—  
(a) the applicant;  
(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;  
(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or  
(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(3) who has power to apply or, as the case may be, receive benefit on the person's behalf; or  
(iii) an attorney with a general power or a power to apply or, as the case may be,

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

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

receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

**77.0 Time and manner of granting council tax reduction<sup>28</sup>**

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement:

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
  - (i) such a reduction is not possible; or
  - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
  - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

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

77.3 In a case to which paragraph (1)(b) refers:

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
  - (i) must be paid to that person if he so requires; or
  - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

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

**78.0 Persons to whom reduction is to be paid<sup>29</sup>**

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

78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an

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

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

appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

**79.0 Shortfall in reduction<sup>30</sup>**

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

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

**80.0 Payment on the death of the person entitled<sup>31</sup>**

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

**81.0 Offsetting**

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

**82.0 Payment where there is joint and several liability<sup>32</sup>**

82.1 Where;

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

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

82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an

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

<sup>31</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>32</sup> Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

appointment under paragraph 4(3) or is treated as having been so appointed by virtue of paragraph 4(4), the amount of the reduction may be paid to that person.

**83.0 – 87.0 Not Used**

**88.0 Diminution of notional capital**

88.1 Where notional capital has been used in the calculation of Council tax reduction. Further calculations may be undertaken every thirteen weeks to reduce the notional capital by the amount of council tax reduction that would have been awarded if the notional capital had not been taken into account in the calculation.

**89.0 Not used**

**90.0 Not used**

**Sections 91 – 94**

**Collection, holding and forwarding of information for Council tax reduction purposes**

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

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

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements<sup>33</sup>.

**92.0 Collection of information**

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from–

- (a) persons making claims for council tax reduction;
- (b) other persons in connection with such applications;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

92.2 The authority may verify relevant information supplied to, or obtained.

**93.0 Recording and holding information**

93.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

**94.0 Forwarding of information**

**94.1** The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to council tax reduction.

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<sup>33</sup> Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

**Sections 95 – 98**

**Revisions, Written Statements, Termination of Council tax reduction**



**95.0 Persons affected by Decisions**

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

**96.0 Revisions of Decisions**

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
  - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
  - (ii) such extended time as the authority may allow

**97.0 Written Statements**

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

**98.0 Terminations**

- 98.1 The authority may terminate reduction in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
  - b. a decision as to an award of such a reduction should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council tax reduction are or were fulfilled; or
  - b. a decision as to an award of such a reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

**Section 99**

**Appeals against the authority's decisions**

**99.0 Procedure by which a person may make an appeal against certain decisions of the authority<sup>34</sup>**

- 99.1 A person who is aggrieved by a decision of the authority, which affects:  
(a) the person's entitlement to a reduction under its scheme, or  
(b) the amount of any reduction to which that person is entitled,  
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must  
(a) consider the matter to which the notice relates;  
(b) notify the aggrieved person in writing;  
(i) that the ground is not well founded, giving reasons for that belief; or  
(ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act<sup>35</sup>.

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<sup>34</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>35</sup> As amended by the Tribunal Procedure (Amendment No 3 ) Rules 2014

**Section 100**

**Procedure for applying for a discretionary reduction**

**100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act<sup>36</sup>**

- 100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
  - (b) by means of an electronic communication in accordance this scheme or
  - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 100.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
  - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

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

**Section 101 – 106A<sup>37</sup>**  
**Electronic Communication**

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<sup>37</sup> Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

**101.0 Interpretation**

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

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

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.
- 102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.
- 102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.
- 102.4 The second condition is that the person uses an approved method of;
- (a) authenticating the identity of the sender of the communication;
  - (b) electronic communication;
  - (c) authenticating any application or notice delivered by means of an electronic communication; and
  - (d) subject to sub-paragraph (7), submitting to the authority any information.
- 102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.
- 102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.
- 102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.
- 102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

**103.0 Use of intermediaries**

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

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

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

are satisfied.

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

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

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

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

**106.0 Proof of delivery of information**

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;

(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

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

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

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

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



**Section 107**  
**Counter Fraud and Compliance**

**107.0 Counter Fraud and compliance**

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

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

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

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

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

**Schedule 1**  
**Applicable Amounts<sup>38</sup>**

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<sup>38</sup> <sup>38</sup> The amounts shown within this schedule shall be updated in line with the Housing Benefit Regulations 2006 as amended

### Personal Allowance

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

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

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

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

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

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

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

### Family Premiums

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

### **Premiums**

4. Except as provided in paragraph 5, the premiums specified this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
5. Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
- 6 (1) The following premiums, namely–
- a. severe disability premium to which paragraph 10 applies;
  - b. an enhanced disability premium to which paragraph 11 applies;
  - c. a disabled child premium to which paragraph 12 applies; and a
  - d. carer premium to which paragraph 13 applies,
- may be applicable in addition to any other premium which may apply under this Schedule
7. (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
- a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
  - b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns(Scotland) Act 1990 for any period during which he is in receipt of a training allowance.
- (2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer’s allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

### **Disability Premium**

8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

### **Additional Condition for the Disability Premiums**

9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

### **Severe Disability Premiums**

10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

### **Enhanced Disability Premium**

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

### **Disabled Child Premium**

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

### **Carer Premium**

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

### **Persons in receipt of concessionary payments**

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

**Persons in receipt of benefit for another**

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

**Amounts of Premium**

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
<b>Disability Premium</b>	£34.35
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£48.95
<b>Severe Disability Premium</b>	£65.85
a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006	£65.85
i. in a case where there is someone in receipt of carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 14(5);	
ii. in a case where there is no one in receipt of such an allowance	£131.70
<b>Disabled Child Premium</b>	£64.19 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
<b>Carer Premium</b>	£36.85 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
<b>Enhanced Disability Premium</b>	(a) £26.04 in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied; (b) £16.80 in respect of each person who is neither— (i) a child or young person; nor (ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied;

	(c) £24.10 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.
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**The components**

- 17. The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
- 18. The amount of the work-related activity component is £29.05. The amount of the support component is £38.55

**Transitional Addition**

- 19. The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of the Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 – 29 of Schedule 3 of the Housing Benefit Regulations 2006

**Amount of transitional addition**

- 20. The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of the Housing Benefit Regulations 2006

**Schedule 2**

**Not Used**



**Schedule 3**

**Sums to be disregarded in the calculation of earnings<sup>39</sup>**

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<sup>39</sup> All amounts within this schedule will be amended in line with the Housing Benefit Regulations 2006 (as amended)

1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—
  - (a) where—
    - (i) the employment has been terminated because of retirement; and
    - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,  
any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
  - (b) where before the first day of entitlement to council tax reduction the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—
    - (i) any payment of the nature described in
      - (aa) paragraph 25.1(e), or
      - (bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
    - (ii) any award, sum or payment of the nature described in
      - (aa) paragraph 25.1(g) or (h), or
      - (bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),  
including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
  - (c) where before the first day of entitlement to council tax reduction—
    - (i) the employment has not been terminated, but
    - (ii) the applicant is not engaged in remunerative work,  
  
any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), or (j).
2. In the case of an applicant who, before first day of entitlement to council tax reduction;
  - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
  - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,  
any earnings paid or due to be paid in respect of that employment except;
    - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
    - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (i) or (j).
- 2A. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation

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

3. (1) In a case to which this paragraph applies and paragraph 4 does not apply, £20; but notwithstanding section 15 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £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.
- (3) This paragraph applies where
  - (a) he is a member of a couple and his applicable amount includes an amount by way of the disability premium; and
  - (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
- (4)–(5) Not used
4. In a case where the applicant is a lone parent, £25.
5. (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium, £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 this scheme as being in receipt of carer's allowance.
- (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £20 of the aggregated amount.
6. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £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 8(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 5 exceed £20;
  - (b) other than one specified in paragraph 8(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.
7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.
8. (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the applicant, £20 of earnings derived from one or more employments as–
  - (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
  - (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section

- 1 of the Fire (Scotland) Act 2005(a)) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
- (c) an auxiliary coastguard in respect of coast rescue activities;
  - (d) a person engaged part-time in the manning or launching of a life boat;
  - (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;
- but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the applicant's partner is engaged in employment;
    - (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £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.
- 9.** Where the applicant is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £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 8 exceed £20.
- 10.** In a case to which none of the paragraphs 3 to 9 applies, £5.
- 10A.** (1) Where;
- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
  - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
  - (c) paragraph 12 does not apply,
- the amount specified in sub-paragraph (7) ('the specified amount').
- (2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph.
  - (3) Notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4).
  - (4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.
  - (5) This sub-paragraph applies to a person who is;
    - (a) in receipt of a contributory employment and support allowance;
    - (b) in receipt of incapacity benefit;
    - (c) in receipt of severe disablement allowance; or
    - (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975
  - (6) 'Exempt work' means work of the kind described in;

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations; or (as the case may be)  
(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,  
and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

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

11. Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

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

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

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

15. Any earnings of a child or young person.

16. (1) In a case where the applicant is a person who does not have an award of Universal Credit and who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.

(2) The conditions of this sub-paragraph are that—

(a) the applicant—

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his applicable amount includes a family premium; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and;

(aa) the applicant's applicable amount includes a disability premium, the work-related activity component or the support component ;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in sub-head (aa) above and is engaged in remunerative work for on average not less than 16 hours per week.

(3) The following are the amounts referred to in sub-paragraph (1);

(a) the amount calculated as disregarable from the applicant's earnings under

paragraphs 3 to 10A of this Schedule;

(b) the amount of child care charges calculated as deductible under paragraph 17(1)(c); and

(c) £17.10

(4) The provisions of section 6 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that section were a reference to 30 hours.

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

**Schedule 4**

**Sums to be disregarded in the calculation of income other than earnings<sup>40</sup>**

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

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—
  - (a) engaged by a charitable or voluntary organisation, or
  - (b) volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant's participation as a service user
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
  - (a) any payment specified in paragraph 7 or 10;
  - (b) income support;
  - (c) an income-based jobseeker's allowance.
  - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment—
  - (a) by way of an education maintenance allowance made pursuant to;
    - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);



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

any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by—
    - (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
    - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
  - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
  - (b) a war widow's pension or war widower's pension;
  - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - (d) a guaranteed income payment;
  - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
  - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
  - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
  - (a) widowed mother's allowance paid pursuant to section 37 of the Act;
  - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.  
(2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of—
  - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
  - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—
  - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student's award;
  - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
  - (c) the student's student loan,an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

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

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

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

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

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

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

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

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

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

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

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

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

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

- 37. Any housing benefit.
- 38. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 39. - 40. not used
- 41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

42. Not used
43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
44. Not used
45. (1) Any payment or repayment made—  
(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);  
(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);  
(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).  
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
48. (1) Where an applicant's applicable amount includes an amount by way of a 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 such be aggregated and treated as if they were a single payment.  
(3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
- 48A. (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 paragraph (1)  
'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;  
(a) the Child Support Act 1991;  
(b) the Child Support (Northern Ireland) Order 1991;  
(c) a court order;  
(d) a consent order;  
(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;  
'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.
49. Not used

- 50.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 51.** Any guardian's allowance.
- 52.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- 53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55** (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
  - (b) surviving civil partner of a person;
    - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
    - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Not used
- 56A.–56B.** Not used
- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person–
- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
  - (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.
- (2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account



- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).  
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.  
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
- 61.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
- 62.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
- 63.** (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.  
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
- 64.** Not used
- 65.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 66.** Any payment of the higher rate of child benefit only.

**Schedule 5**  
**Capital to be disregarded<sup>41</sup>**

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<sup>41</sup> Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

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

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.
  - (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial

activity in respect of which such assistance is being received.

(3) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
  - (b) an income-related benefit under Part 7 of the Act;
  - (c) an income-based jobseeker's allowance;
  - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
  - (e) working tax credit and child tax credit
  - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

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

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

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

11. Any sum–
- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
  - (b) which was so deposited and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

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

(c) continues to live with the applicant.

20. Any social fund payment made pursuant to Part 8 of the Act.
21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
22. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.

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

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

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

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

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

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

person's death.

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

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

(b) the payment is made either;

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

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

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

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

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

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

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

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

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

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

**29.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

**30.** Not used

**31.** The value of the right to receive an occupational or personal pension.

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



- 41A. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
42. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
43. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
44. Not used
45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
46. Not used
47. (1) Any sum of capital to which sub-paragraph (2) applies and  
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7 ) Rule 2013) or by the Court of Protection;  
(b) which can only be disposed of by order or direction of any such court; or  
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.  
(2) This sub-paragraph applies to a sum of capital which is derived from;  
(a) an award of damages for a personal injury to that person; or  
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from  
(a) award of damages for a personal injury to that person; or  
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
49. Any payment to the applicant as holder of the Victoria Cross or George Cross.
50. Not used
51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to–
    - (i) regulations made under section 518 of the Education Act 1996;
    - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
    - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
  - (b) corresponding to such an education maintenance allowance, made pursuant to;
    - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
    - (ii) regulations made under section 181 of that Act ;
- or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
  - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
  - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 53A.-53B.** Not used
- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of–
- (a) the applicant;
  - (b) the applicant’s partner;
  - (c) the applicant’s deceased spouse or deceased civil partner; or
  - (d) the applicant’s partner’s deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.
- 57.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant’s family who is
- (a) a diagnosed person;
  - (b) the diagnosed person’s partner or the person who was the diagnosed person’s partner at the date of the diagnosed person’s death;
  - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person’s parents or a person who was so acting at the date of the diagnosed person’s death; or
  - (d) a member of the diagnosed person’s family (other than his partner) or a person who was a member of the diagnosed person’s family (other than his partner) at the date of the diagnosed person’s death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
  - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending–
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person–
      - (aa) ceases receiving full-time education; or
      - (bb) attains the age of 20,whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant’s family who is–
  - (a) the diagnosed person’s partner or the person who was the diagnosed person’s partner at the date of the diagnosed person’s death;
  - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person’s parents or a person who was so acting at the date of the diagnosed person’s death; or
  - (c) a member of the diagnosed person’s family (other than his partner) or a person who was a member of the diagnosed person’s family (other than his partner) at the date of the diagnosed person’s death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to–
  - (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
  - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending–
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person–
      - (aa) ceases receiving full-time education; or
      - (bb) attains the age of 20,whichever is the latest.
- (5) In this paragraph, a reference to a person–
  - (a) being the diagnosed person’s partner;
  - (b) being a member of a diagnosed person’s family;
  - (c) acting in place of the diagnosed person’s parents,at the date of the diagnosed person’s death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
- (6) In this paragraph– ‘diagnosed person’ means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;  
‘relevant trust’ means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;  
‘trust payment’ means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the

applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

59 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.

60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	Housing Revenue Account Business Plan 2019-2020 including Rents and Service Charges	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson, City Assets and Housing Councillor Louise Miles, Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Kate Martin, Service Director of Housing Claire Nye, Director of Finance	
<b>Originating service</b>	City Housing, Finance	
<b>Accountable employee</b>	Kate Martin	Service Director of Housing
	Tel	01902 554841
	Email	kate.martin@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Housing Leadership Team	12 December 2018
	Strategic Executive Board	18 December 2018

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**Recommendations for decision:**

The Cabinet is recommended to recommend that Council:

1. Approves the implementation of the 1% reduction in social housing rents in accordance with the Welfare Reform and Work Act and to give 28 days' notice to all secure and introductory tenants of the rent reduction from 1 April 2019.
2. Adopts the Business Plan set out at Appendix 1 to this report as the approved Housing Revenue Account Business Plan including:
  - a. The revenue budget for 2019-2020 at Appendix 1B to this report
  - b. The Capital Programme for 2019-2020 to 2023-2024 at Appendix 1C to this report to include the following;
    - Provision of £24.0 million for estate remodelling
    - An increase to the budget for the refurbishment of Heath Town Estate of £10.1 million

- An addition of £15.0 million to the budget for High Rise mechanical and electrical infrastructure
  - Total new build programme provision of £157.3 million with £5.0 million for community housing development at Bushbury Hill, £4.0 million for phase 5 of the small sites programme and £60.0 million set aside for future development.
3. Approves the rates for garage rents and service charges set out in Appendix 2 to this report and formally notify tenants. There is one stepped increase to approve, all other charges remain the same

### **Recommendations for noting:**

The Cabinet is asked to note:

1. The consultation responses as outlined at Appendix 3 to this report.
2. That the limited 'Additional Needs' Housing Revenue Account Borrowing Offer 2018 for Specific Borrowing was not made available for the City of Wolverhampton due to eligibility criteria. However, on 29 October 2018 the Housing Revenue Account borrowing cap was abolished in the Chancellor's Budget which now affords the City with the potential for additional borrowing to support Landlord Services and provide for future housing needs.
3. The issues discussed in the 2018 Social Housing Green Paper which sets out five principles for a new fairer deal for social housing residents focusing on the provision of safe and decent homes, resolving complaints, empowering tenants, tackling stigma and building new homes.
4. The National Building Safety Programme of the Ministry of Housing, Communities and Local Government and the Grenfell Inquiry pending its full outcomes, will impact upon future building safety planning. The Hackett Review 2018 makes recommendations for residential building safety and improvements to be considered as part of all future HRA asset management and improvement planning.
5. A review of the Housing Revenue Account Total Operating Model from 2019-2020 will consider future planning for Better Homes Investment (from 2022), the outcomes of the National Building Safety Programme, the Housing Revenue Account Asset Management Plan and future management arrangements for Housing Landlord Services.
6. A new National Regulator of Social Housing was established in 2018. Currently this regulator oversees Registered Housing Providers (Housing Associations) however, nationally a review is underway to consider an extension of this regulation to Local Authority owned housing, including stock managed by Arms-Length Management Organisations and Tenant Management Organisations.

## **1.0 Purpose**

- 1.1 This report presents an updated Housing Revenue Account (HRA) Business Plan 2019-2020 for recommendation to Full Council. The additional borrowing flexibility provides real opportunities for the Council to increase the provision of new homes for rent, whilst continuing to invest in better and safer homes programmes to the existing stock and improving and redeveloping housing estates.
- 1.2 The report also provides, as an integral part of that Business Plan, a proposed HRA budget for 2019-2020, including proposed rents and service charges to take effect from 1 April 2019, and a proposed HRA Capital Programme for the period 2019-2020 to 2022-2023 for recommendation to Full Council.

## **2.0 Background**

- 2.1 Since the implementation of Housing Revenue Account self-financing in 2012, the Council has been required to set out its HRA Business Plan. The Business Plan is monitored quarterly and reviewed annually to ensure that assumptions remain robust and resources within the plan are sufficient to meet expenditure requirements. Appendix 4 to this report provides more detail on HRA self-financing.
- 2.2 Prior to 2014, the increase in rents was based upon a formula of retail price index (RPI) plus 0.5% plus £2.00. In 2014, the Government introduced a new formula for increases of consumer price index (CPI) plus 1%. In order to provide certainty for councils, the Government stated that this rent policy would exist for 10 years. The Council's HRA Business Plan was therefore predicated upon rents going up by more than inflation each year throughout the lifetime of the plan.
- 2.3 In the Chancellor's budget of July 2015, it was announced that all council dwelling rents would reduce by 1% each year from 1 April 2016 for the next four years to 2020. This announcement was subsequently included in the Welfare Reform and Work Act 2016. Previously, there was no statutory underpinning for local authority rent setting and the formulae in paragraph 2.2 of this report were provided as guidance. The 1% reduction is mandatory.
- 2.4 As part of the rent setting process for 2016-2017, the Council approved an HRA Business Plan that accommodated the 1% reduction in dwelling rents each year for the next four years and amended the projections over the 30-year lifetime of the plan.
- 2.5 The government has recently confirmed that it will resume the policy to increase rents by CPI plus 1% from 1 April 2020 for five years, and this is reflected in the Business Plan.
- 2.6 On 29 October 2018 an announcement as part of the Government's Budget confirmed that the HRA borrowing cap was abolished completely with immediate effect. The Government issued a determination that revoked the previous

determinations specifying local authority limits on indebtedness. As a result, local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

### **3.0 The HRA Business Plan 2019-2020**

- 3.1 This year's review of the Business Plan has focussed on the need to accommodate the additional requirements of the Capital Programme as outlined in section 4 below.
- 3.2 Without the government announcement that abolished the borrowing cap, the demands of the existing stock, in particular the high-rise blocks, were likely to have reduced the number of new properties that the Council would have been able to build.
- 3.3 The Business Plan has been reviewed and updated to revise planning assumptions on right to buy sales, forecast interest rates and forecast rent increases from 1 April 2025.
- 3.4 Inflationary increases to revenue budgets have been applied where appropriate and a prudent provision for increases to the bad debt provision has been made.
- 3.5 No increases to service charges or garage rents are being proposed, other than an increase to the Central Heating Gas charge, which has been increasing as previously agreed, by a 50 pence per week 'stepped increase' over four years, until 100% of the costs are recovered.

### **3.6 Management Allowances**

- 3.7 Allowances to managing agents in general are frozen, for the fourth and final year of the four-year rent decrease period. For future year forecasts it is assumed that allowances will increase by CPI from 1 April 2020 onwards.
- 3.8 On 6 June 2018 Cabinet approved 'alternative offer' proposals to the Bushbury Hill Estate Management Board (BHEMB) for future management and maintenance arrangements for 15 years for the Bushbury Hill Estate from April 2019. The offer proposed an uplift to the Management Allowance to £1,700 per property per year, resulting in an increase to the budget for BHEMB management allowances of £140,000.
- 3.9 As Managing Agents' allowances are based on historic calculations, the funding for the other managing agents (Tenant Management Organisations) will be reviewed in time for the budget setting process for 2020-2021.

### **4.0 The HRA Capital Programme**

- 4.1 The Council wishes to use capital resources to maximise new build as far as possible but also needs to consider and prioritise the needs of the existing stock. As part of a long term, estate-based approach to asset management the remaining



life of stock should be taken into account and alternatives to refurbishment considered where appropriate.

- 4.2 The Council plans to make provision of £157.3 million up to 2023-2024 for the new build programme. This includes Phase 5 of the Small Sites programme (£4.0 million) schemes for community-led developments at Bushbury Hill (£5.0 million) and Inkerman Street, Heath Town (£1.5 million). £60.0 million is set aside for future homes development.
- 4.3 The Council's development programme will include low carbon 'Passivhaus' development, to address fuel poverty amongst residents. It will also take advantage of opportunities to buy in homes available under S106 arrangements from WV Living, subject to Cabinet approvals on a site by site basis. The Council's first Shared Ownership homes will be delivered in 2019, and further development of this tenure will be pursued to support affordable home ownership in the City.
- 4.4 Alongside the application of HRA capital funding, homes will be delivered using grant from Homes England and the Local Enterprise Partnership where appropriate, as well as applying S106 commuted sums for affordable housing arising from private developments in the city. Right to Buy receipts will be applied to new build homes to deliver against one-for-one targets.
- 4.5 The HRA Capital Programme currently includes an £11.1 million provision to refurbish the maisonette blocks at New Park Village. Further assessment has identified that a cost for this work would be in the range of £28.5 million which does not demonstrate value for money due to the quality and lifetime condition of the stock. An alternative would be to remodel this area of the estate, with the potential also to increase the number of homes available. A fuller option appraisal of this potential proposal will be the subject of a separate report to Cabinet later in 2019.
- 4.6 The HRA Capital Programme budget includes provision of £24.0 million for estate remodelling schemes.
- 4.7 The Heath Town estate refurbishment is progressing well but there is a need to increase the scope of the project to respond to emerging fire safety building requirements and renew cladding to the tower blocks. The additional budget requirement of £10.1 million will increase the total budget from £45.1 million to £55.2 million.
- 4.8 Further budget pressure has emerged following building reviews as work has started on the High-Rise Homes Mechanical and Electrical Infrastructure refurbishment programme. Actual cost data from the first blocks in the programme and new, detailed surveys of the condition and location of the services to be replaced has identified potential additional costs. The budget for this programme will be increased by £15.0 million to £31.9 million.

- 4.9 A report to Cabinet (Resources) Panel on 16 January 2018 approved a £2.5 million budget for the application of Right to Buy Receipts for Additional Social Housing. An annual provision of £2.0 million for this budget line is proposed to fund the Council's buy back policy and take advantage of any other opportunities that arise for one off home purchases. Individual purchases will be approved by the Cabinet Member for City Assets and Housing in consultation with the Service Director of Housing.
- 4.10 These issues are reflected in the five-year HRA Capital Programme in Appendix 1C. The programme will be monitored quarterly and reviewed annually to ensure a balanced budget.
- 5.0 Social Housing Green Paper 2018 and Update to the Housing and Planning Act 2016**
- 5.1 The Social Housing Green Paper, '*A New Deal for Social Housing*' considered the issues facing all residents of social housing. Launched on 14 August 2018 it closed for public consultation on 6 November 2018. The Green Paper sets out five principles which underpin a new, fairer deal for social housing residents around the provision of safe and decent homes, improving how complaints are resolved, empowering tenants, tackling stigma and building the social homes that are needed to act as a springboard to home ownership.
- 5.2 The Government introduced changes in the Housing and Planning Act 2016 to restrict the use of lifetime tenancies by local authority landlords. This would require local authorities generally to grant tenancies on a fixed term basis and to review them towards the end of the fixed term period to decide whether to grant a further tenancy, which would have revenue implications. The Social Housing Green Paper marked a U-turn on this policy stating that these provisions would not be implemented 'at this time', in response to feedback from tenants on the importance of housing stability and security of tenure.
- 5.3 The Green Paper also confirmed that the Government will not bring the Higher Value Assets provisions of the Housing and Planning Act 2016 into effect, which would have been used to fund the voluntary Right to Buy (RTB) for housing association tenants. This legislation will be repealed when Parliamentary time allows. The Government did however confirm its continued support for the voluntary RTB pilot which commenced in the West Midlands this autumn.
- 5.4 The Government are considering reviewing the Decent Homes Standard, which was introduced in 2004. Nationally Decent Homes funding ceased in 2012, as did the requirement for local authorities to establish alternative models for the delivery of housing and residential landlord services. Only 32 Arms-Length Management Organisations (ALMO) arrangements remain active in the UK in 2018-2019. The National Review is also likely to include upgrading the energy performance of social homes as one way of improving fuel poverty for social housing tenants, as well as improvements to building safety (including fire safety management) and

planning for Better Homes from 2022. Any significant additional requirements will have implications for the Business Plan period.

- 5.5 In October 2018 the Government consulted local authorities on options for reforming the rules around the use of Right to Buy receipts. These included extending timeframes for spending receipts and caps on expenditure for acquisitions. The outcome of the consultation is not yet known.

## **6.0 Evaluation of alternative options**

- 6.1 The 1% rent decrease is mandatory under Welfare Reform and Work Act 2016, therefore no alternative can be considered. The proposed service charges are consistent with existing policy to recover the cost of the service. An alternative option could be to reduce the charges, in which case the cost would not be recovered and a subsidy required from general rents.
- 6.2 The Council could decide not to plan to increase capital expenditure in response to the abolishment of the HRA borrowing cap and instead use the HRA net surplus to pay off debt instead of financing borrowing. However, it would not then be using available resources to improve and increase its housing stock as well as the requirement to respond to national building safety requirements.

## **7.0 Reasons for decisions**

- 7.1 The Council is required to approve the mandatory 1% decrease to dwellings rent and approve the proposed service charges and garage rents.
- 7.2 The Council is required to approve a balanced HRA budget which is based on income forecasts, maintains supervision and management expenditure, provides for depreciation and finances borrowing.
- 7.3 A risk matrix is attached at Appendix 5. The risk register has been updated to reflect the economic and legislative setting in which it operates.

## **8.0 Financial implications**

- 8.1 The four year 1% reduction to dwelling rents has been determined by central government and this was built into the Business Plan model during the 2016-2017 rent setting process. Increases to non-dwelling rents and service charges are set out in Appendix 2. Service charges have only increased where necessary to achieve full cost recovery.
- 8.2 The Business Plan model has been reviewed, assumptions updated and additional capital expenditure built in with the aim of providing sufficient resources to maintain existing stock and maximising new build. The HRA is expected to have sufficient resources to fund £1.96 billion of capital works that will be required to its properties over the next 30 years, as well as meeting its management and maintenance obligations in the same period. Inflation forecasts have been updated in line with the latest figures from the Office for Budget Responsibility. Due to the

possible forthcoming period of economic uncertainty it will be necessary to closely monitor the data underpinning assumptions in the model and forecast the effect of any changes.

- 8.3 The 5-year Capital Programme is reviewed quarterly and the latest version to include a budget for estate remodelling, increased budgets for Heath Town refurbishment and High Rise mechanical and electrical infrastructure and increased resources for new build is shown in Appendix 1C.
- 8.4 As part of the self-financing arrangements introduced from April 2012 there was a cap placed on the level of debt that could be incurred in the HRA, the maximum amount for Wolverhampton being £356.8 million. In September the Prime Minister announced that this debt cap would be abolished to give councils the freedom to borrow more to increase the provision of new build housing.
- 8.5 The increased borrowing built into the business plan has been assessed as affordable, taking into account the interest cover provided by the surpluses generated and the extent that those surpluses are used to pay down debt. The levels of debt and continued affordability will be closely monitored.

[JM/10012019/H]

## **9.0 Legal implications**

- 9.1 Statutory requirements as to the keeping of a Housing Revenue Account are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act includes a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
- 9.2 Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016.
- 9.3 Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively.
- 9.4 The Council has nevertheless undertaken to consult with tenants before seeking to change rent and other charges.
- 9.5 It is further provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which also applies in respect of introductory tenancies, that its tenants

are notified of variation of rent and other charges at least 28 days before the variation takes effect by service of a notice of variation.

[DC/13122018/Z]

## **10.0 Equalities implications**

- 10.1 Notwithstanding the legal requirement to reduce rents for the fourth year running, there is a difficult balance to be struck in deciding the levels at which rents and services charges are set and the income required to maintain and to improve services and properties. This is based upon a thirty-year forecast which sets out indicative levels of future rental income and forecast changes to expenditure levels. The Council has always operated a very open and consultative approach to service and rent reviews. Events, newsletters and social media have been utilised to engage with tenants.
- 10.2 An Equality Analysis has been completed and there are no implications to consider further. Details of the consultation with residents and stakeholders are attached at Appendix 3.

## **11.0 Environmental implications**

- 11.1 This report has no direct environmental implications. The investment and improvement of the city housing stock will have a significant positive impact on the overall city environment.

## **12.0 Human resources implications**

- 12.1 There are no direct human resources implications resulting from this report.

## **13.0 Corporate landlord implications**

- 13.1 There are no direct Corporate Landlord implications resulting from this report.

## **14.0 Health and Wellbeing implications**

- 14.1 This report has no direct health and wellbeing implications. The investment and improvement of the current city housing stock and the additional housing created by new build programmes will have a significant positive impact on the health and wellbeing of current and future tenants.

## **14.0 Schedule of background papers**

- 15.1 [Welfare Reform and Work Act 2016](#)

[Housing and Planning Act 2016](#)

[The Housing Revenue Account self-financing determinations 2012](#)

Cabinet, 6 June 2018 – [‘Bushbury Hill Estate Management Board Update’](#)

## 15.0 Appendices

### Schedule of Appendices

1	<b>Housing Revenue Account Business Plan</b>
1A	30-year Business Plan
1B	Medium term Business Plan
1C	Capital Programme
2	<b>Recommendations concerning income</b>
2A	Non-dwelling rents
2B	Service charges and heating charges
2C	Hostel rents and charges
3	<b>Summary of consultation responses</b>
4	<b>Background to the Housing Revenue Account</b>
5	<b>Risk analysis</b>

## Appendix 1

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### 30-year Business Plan 2018-2019 to 2047-2048

REVENUE ACCOUNT	Years	Years	Years	Years	Years	Years
	1 - 5	6-10	11 - 15	16 - 20	21 - 25	26 - 30
	£M	£M	£M	£M	£M	£M
<b>Income</b>						
Dwelling Rents	(472)	(537)	(581)	(608)	(645)	(695)
Other Rents	(3)	(3)	(3)	(4)	(4)	(6)
Service Charges	(33)	(37)	(42)	(47)	(53)	(61)
	<b>(508)</b>	<b>(577)</b>	<b>(626)</b>	<b>(659)</b>	<b>(702)</b>	<b>(762)</b>
<b>Expenditure</b>						
Management and Maintenance (net of retained surpluses)	246	272	299	332	364	403
Depreciation and provision for redemption of debt	186	203	218	191	167	153
Net Financing Costs	75	102	109	136	171	206
	<b>508</b>	<b>577</b>	<b>626</b>	<b>659</b>	<b>702</b>	<b>762</b>
<b>Balance</b>	-	-	-	-	-	-

## Appendix 1

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CAPITAL ACCOUNT	Years	Years	Years	Years	Years	Years
	1 - 5	6-10	11 - 15	16 - 20	21 - 25	26 - 30
	£M	£M	£M	£M	£M	£M
<b>Expenditure</b>						
Capital Expenditure	388	202	318	332	324	350
<b>Financing</b>						
Major Repairs Reserve	(108)	(105)	(102)	(99)	(96)	(94)
Grants, Contributions and Receipts	(28)	(17)	(17)	(17)	(17)	(17)
Borrowing	(252)	(80)	(199)	(216)	(211)	(239)
	<b>(388)</b>	<b>(202)</b>	<b>(318)</b>	<b>(332)</b>	<b>(324)</b>	<b>(350)</b>
<b>Balance</b>	-	-	-	-	-	-



## Appendix 1

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### Medium term Business Plan 2018-2019 – 2022-2023

REVENUE ACCOUNT	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
	Estimate £000	Budget £000	Forecast £000	Forecast £000	Forecast £000
<b>Income</b>					
Dwelling Rents	(88,946)	(89,692)	(91,139)	(94,041)	(96,980)
Other Rents	(779)	(524)	(538)	(553)	(568)
Service Charges	(5,728)	(6,311)	(6,350)	(6,508)	(6,669)
	<b>(95,453)</b>	<b>(96,527)</b>	<b>(98,027)</b>	<b>(101,102)</b>	<b>(104,217)</b>
<b>Expenditure</b>					
Wolverhampton Homes	39,301	39,301	40,087	40,889	41,707
Bushbury Hill EMB	1,271	1,411	1,439	1,468	1,497
New Park Village TMO	375	375	383	390	398
Springfield Horseshoe TMO	353	353	360	367	375
Dovecotes TMO	1,091	1,091	1,113	1,135	1,158
Pension contributions	2,455	2,514	2,565	2,616	2,668
SLA/Recharges	263	268	270	272	274
Depreciation	22,056	22,033	21,768	21,554	21,390
Net Financing Costs	10,274	10,831	13,106	15,491	17,505
Provision for Bad debts	1,000	1,500	2,000	2,022	2,084
	<b>78,439</b>	<b>79,677</b>	<b>83,091</b>	<b>86,204</b>	<b>89,056</b>
<b>Surplus/deficit for the year</b>	<b>(17,014)</b>	<b>(16,850)</b>	<b>(14,936)</b>	<b>(14,898)</b>	<b>(15,161)</b>
Provision for the redemption of debt	<b>17,014</b>	<b>16,850</b>	<b>14,936</b>	<b>14,898</b>	<b>15,161</b>
<b>Balance</b>	-	-	-	-	-

## Appendix 1B

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CAPITAL ACCOUNT	2018-	2019-	2020-	2021-	2022-	2023-
	2019	2020	2021	2022	2023	2024
	Budget	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>						
Capital Expenditure	54,782	94,340	90,770	77,660	64,020	60,890
	<b>54,782</b>	<b>94,340</b>	<b>90,770</b>	<b>77,660</b>	<b>64,020</b>	<b>60,890</b>
<b>Financing</b>						
Major Repairs Reserve	(22,202)	(22,033)	(21,768)	(21,554)	(21,390)	(21,258)
Grants, Contributions and Receipts	(7,464)	(8,620)	(6,874)	(4,350)	(4,120)	(4,150)
Borrowing	(25,116)	(63,687)	(62,128)	(51,756)	(38,510)	(35,482)
	<b>(54,782)</b>	<b>(94,340)</b>	<b>(90,770)</b>	<b>(77,660)</b>	<b>(64,020)</b>	<b>(60,890)</b>
<b>Balance</b>	-	-	-	-	-	-

## Capital Programme 2018-2019 to 2023-2024

	Fore ast	Fore ast	Fore ast	Fore ast	Fore ast	Fore ast	Total
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	
	£000	£000	£000	£000	£000	£000	£000
<b>New Build Programme</b>							
Tap Works site	2,460	1,700	-	-	-	-	<b>4,160</b>
Tower and Fort Works	1,000	1,400	-	-	-	-	<b>2,400</b>
CAASH Fund Units	552	-	-	-	-	-	<b>552</b>
Small Sites Phase 3	2,740	-	-	-	-	-	<b>2,740</b>
Small Sites Phase 4	1,500	4,000	-	-	-	-	<b>5,500</b>
Small Sites Phase 5	-	1,000	3,000	-	-	-	<b>4,000</b>
Burton Crescent	2,510	3,410	-	-	-	-	<b>5,920</b>
Heath Town Phase 1	2,000	1,000	-	-	-	-	<b>3,000</b>
Heath Town Phase 3	-	7,080	4,520	-	-	-	<b>11,600</b>
WVL units - Danesmore	1,130	-	-	-	-	-	<b>1,130</b>
WVL units - Ettingshall and Sweetbriar Road	-	1,100	-	-	-	-	<b>1,110</b>
WVL units - Prouds Lane	-	940	-	-	-	-	<b>940</b>
WVL units - Wednesfield	-	3,510	3,510	3,510	-	-	<b>10,530</b>
WVL units - Former Residential Care Home sites	-	2,750	-	-	-	-	<b>2,750</b>
St Luke's School	-	2,860	-	-	-	-	<b>2,860</b>
Northicote	-	-	6,480	-	-	-	<b>6,480</b>
HRA Medium Sites	200	3,800	3,400	-	-	-	<b>7,400</b>
Reedham Gardens	100	1,900	2,000	-	-	-	<b>4,000</b>
Parkfields	-	-	2,080	-	-	-	<b>2,080</b>
Additional Social Housing	1,700	2,000	2,000	2,000	2,000	2,000	<b>11,700</b>
Inkerman St Community Housing Development	-	1,500	-	-	-	-	<b>1,500</b>
Bushbury Hill Community Housing Development	400	2,000	2,600	-	-	-	<b>5,000</b>

	Fore cast	Fore cast	Fore cast	Fore cast	Fore cast	Fore cast	Total
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	
	£000	£000	£000	£000	£000	£000	£000
New Build Programme	-	-	5,000	15,000	20,000	20,000	60,000
<b>New Build Programme Total</b>	<b>16,292</b>	<b>41,950</b>	<b>34,590</b>	<b>20,510</b>	<b>22,000</b>	<b>22,000</b>	<b>157,342</b>
<b><u>Estate Remodelling</u></b>							
Heath Town	2,040	-	-	-	-	-	2,040
Estate Remodelling	0	500	1,500	5,000	8,500	8,500	24,000
<b>Estate Remodelling Total</b>	<b>2,040</b>	<b>500</b>	<b>1,500</b>	<b>5,000</b>	<b>8,500</b>	<b>8,500</b>	<b>26,040</b>
<b>Adaptations for People with Disabilities</b>							
<b>Disabled Adaptations Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>6,000</b>
<b>Decent Homes Stock Condition</b>							
Refurbishment of Voids	3,250	2,400	2,400	2,400	2,400	2,400	15,250
External Improvement Programme	1,100	1,100	1,100	600	-	-	3,900
Boiler Replacement Programme	780	670	670	680	680	680	4,160
Internal Decency Works	1,000	2,620	3,500	4,250	4,750	5,000	21,120
Heath Town - Refurb of Retained Properties	14,700	14,300	13,600	10,300	2,350	-	55,250
New Park Village maisonettes	330	500	5,000	5,270	-	-	11,100
High Rise M&E	3,100	8,800	5,000	5,000	5,000	5,000	31,900
Sustainable Estates Programme	920	1,590	2,140	2,600	2,600	2,600	12,450
Non Trad Surveys	170	100	100	100	100	250	820
High Rise Sprinkler Programme	-	4,700	4,700	4,600	3,200	2,000	19,200

	Forec ast	Forec ast	Forec ast	Forec ast	Forec ast	Forec ast	Total
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	
	£000	£000	£000	£000	£000	£000	£000
High Rise External Works	-	-	3,900	3,900	-	-	7,800
<b>Decent Homes Stock Condition Total</b>	<b>25,350</b>	<b>36,780</b>	<b>42,110</b>	<b>39,700</b>	<b>21,080</b>	<b>17,930</b>	<b>182,950</b>
<b>Other Stock Condition Improvements</b>							
Structural Works	980	980	990	990	1,000	1,000	5,940
Lift and Disability Discrimination Act Improvements - High Rise	670	670	670	680	680	680	4,050
Fire Safety Improvements - High Rise	1,100	2,380	2,380	2,250	2,250	2,250	12,610
Roofing Refurbishment Programme	4,800	7,350	4,800	4,800	4,800	4,800	31,350
Door Entry Security Programme	370	370	370	370	370	370	2,220
<b>Other Stock Condition Improvements Total</b>	<b>7,920</b>	<b>11,750</b>	<b>9,210</b>	<b>9,090</b>	<b>9,100</b>	<b>9,100</b>	<b>56,170</b>
<b>Other Improvements to the Public Realm</b>							
<b>Pathway Improvement and Safety Programme Total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,200</b>
<b>Service Enhancements and Miscellaneous</b>							
Right to Buy Sale Admin	30	60	60	60	60	60	330
Wolverhampton Homes Capitalised Salaries	1,650	1,700	1,700	1,700	1,700	1,700	10,150
City Council Capitalised Salaries	300	400	400	400	400	400	2,300
<b>Service Enhancements and Miscellaneous Total</b>	<b>1,980</b>	<b>2,160</b>	<b>2,160</b>	<b>2,160</b>	<b>2,160</b>	<b>2,160</b>	<b>12,780</b>
<b>GRAND TOTAL</b>	<b>54,782</b>	<b>94,340</b>	<b>90,770</b>	<b>77,660</b>	<b>64,040</b>	<b>60,890</b>	<b>442,482</b>

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## Appendix 2

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### Non-dwelling rents

#### Garage rents

1. The table below sets out recommended garage rents to take effect from 2 April 2018. It is recommended that there is no increase in the basic rent (before VAT).
2. Under VAT rules, garages that are let along with a dwelling do not attract VAT, whereas those that are let separately do. Furthermore, exemption from VAT only extends as far as two garages per tenant/leaseholder. Therefore, there are three different levels of garage rents

	Rent per week 2018-2019 (excl VAT)	% increase 2019-2020	Rent per week 2019-2020 (excl VAT)	Rent per week 2019-2020 (incl VAT)
Dwelling tenants and leaseholders (No VAT)	£4.41	No change	£4.41	
Dwelling tenants and leaseholders – three or more garages (VAT)	£4.41	No change	£4.41	£5.29
Privately let garages	£6.58	No change	£6.58	£7.90

## Appendix 2

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### Service charges

Service Charge	Services funded	Rationale for charge	Charge paid per week 2018-2019	Proposed change	Charge paid per week 2019-2020
Communal Facilities	Communal facilities in former sheltered schemes	Cost of service is fully covered by current charge	£2.88	No change	£2.88
Concierge mandatory only	Essential caretaking duties	Cost of service is fully covered by current charge	£5.36	No change	£5.36
Concierge mandatory plus remote CCTV and door entry	Essential caretaking duties and remote CCTV and door entry	Cost of service is fully recovered by current charge	£9.43	No change	£9.43
Communal cleaning	Cleaning services in communal areas in certain properties	Cost of service is fully covered by current charge	£3.12	No change	£3.12
Digital TV	Installation and maintenance of the wiring required to convey digital TV signals to certain high rise blocks	Cost of service is fully covered by current charge	£0.62	No change	£0.62
Fencing	Replacement of boundary fencing delivered by Wolverhampton Homes. All funds raised by this charge are ring-fenced to replacement fencing	Sufficient income raised to fund fencing programme	£1.92	No change	£1.92



## Appendix 2

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### Service Charges – Heating

Service Charge	Services funded	Rationale for charge	Charge paid per week 2018-2019	Proposed change	Charge paid per week 2019-2020
District Heating maintenance	Maintenance of boilers and district heating at Heath Town	Cost of service fully covered by current charge	£4.33	No change	£4.33
District Heating maintenance	Maintenance of boilers and district heating at Hickman Estate	Cost of service fully covered by current charge	£4.33	No change	£4.33
District Heating Usage (Heath Town)	Provision of heating and hot water at Heath Town Estate	Cost of full recovery of fuel costs based upon current metered usage	5.8p per kw/h	No Change	5.8p per kw/h
District Heating Usage (Lincoln and Tremont)	Provision of heating and hot water at Lincoln House, Tremont House and Wednesfield Road, Heath Town	Cost of full recovery of fuel costs based upon current metered usage	4.9p per kw/h	No change	4.9p per kw/h
District Heating Usage (Hickman Estate)	Provision of heating and hot water at Wodensfield and William Bentley Courts	Cost of full recovery of fuel costs based upon current metered usage	8.4p per kw/h	No change	8.4p per kw/h
Central Heating – Gas	Servicing, maintenance and replacement of gas central heating systems	Current charge increasing until recovers 100% of costs. Raise by 50p per	£3.37	£0.48 per week increase (50p increase now spread	£3.85

## Appendix 2

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		week each year until 2019-2020		over 52 weeks)	
Central Heating - Electric	Servicing, maintenance and replacement of electric heating	Charge reducing to reflect actual costs of service	£0.96	No change	£0.96

## Hostels and temporary accommodation rents and charges

- Charges for hostels and temporary accommodation were reviewed in advance of transferring the management responsibility to Wolverhampton Homes. No changes are proposed for 2019-2020

Charge	2018-2019 White House £pw	2019-2020 White House £pw	2018-2019 Other* £pw	2019-2020 Other* £pw
Gross Rent	£206.97	206.97	£131.65	£131.65
Charges:				
- Support/Care	£58.09	£58.09	£55.45	£55.45
- Heating, lighting, water	£18.97	£18.97	£18.97	£18.97
Total minimum cash payable	£18.97	£18.97	£18.97	£18.97
Total maximum cash payable	£77.06	£77.06	£74.42	£74.42

\*Properties at Ellerton Walk, Lathe Court and Heath Town

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## Appendix 4

### The Housing Revenue Account

1. Local authorities are required by the Local Government and Housing Act (1989) to maintain a ring-fenced revenue account containing expenditure and income relating to their housing landlord service. This is known as the Housing Revenue Account (HRA).
2. Statute governs what may be charged and credited to the HRA, the underlying principle being that housing rents and service charges should only pay for the housing landlord service. In particular, it prevents cross subsidy of those income streams and others that the council receives, for example council tax. The main items which are shown in the HRA are:
  - Income from rents and lettings from dwellings and non-dwellings
  - Costs associated with managing and maintaining the rental stock (but not improving it or the Decent Homes programme, which are capital budget items)
  - Costs and income associated with providing landlord services to tenants such as heating and concierge services
  - The net costs of providing Housing Support services including those to Homeless Families and Carelink as well as HRA feasibility work.
3. Authorities have a duty to prepare and make available to rent payers an annual budget for the HRA in advance of the year in question. The budget must identify how all planned expenditure is to be funded. This may include the use of retained surpluses from previous years, but the HRA must never go into an overall deficit.
4. In accordance with the Council's financial procedure rules, the budget, rents and service charges must be approved by Full Council, which receives recommendations from the Cabinet.

### Administration of the HRA at Wolverhampton:

5. The Service Director, Housing has responsibility for the overall HRA budget, and administration
  - The Council's Housing function, which manages central costs and recharges with the General Fund in conjunction with strategic Finance, as well as undertaking housing development, housing strategy, services for rough sleepers and other specialist support.
  - Wolverhampton Homes and the Tenant Management Organisations who manage the rent collection, day to day maintenance and in the case of Wolverhampton Homes, the programme for maintaining properties at decent homes standard, and more recently, the homeless service.

## **Appendix 4**

### **HRA Subsidy and Self-financing**

6. Until April 2012, one of the key factors in the budget preparation process was the Government's annual HRA subsidy determination. HRA subsidy was a housing resource redistribution system administered by the Department for Communities and Local Government. Authorities either paid into or received money from a national pool, based on a formula that assessed their assumed need to spend and assumed income.
7. HRA subsidy was complex and difficult to predict but had significant impacts on the funds available to an authority's HRA, which made it central to the budget process.
8. With effect from 1 April 2012, HRA subsidy was abolished. Instead of annual determinations, authorities paid or received a one-off settlement at the end of March 2012. This settlement was calculated as the net present value of forecast subsidy payments or receipts over the next 30 years. The final HRA subsidy payment was made in 2012-2013.
9. As part of the self-financing process the government imposed a debt cap of £356.8 million on the HRA, this being the higher of the Subsidy Capital Financing Requirement and the self-financing valuation. On 29 October 2018 the government announced the abolition of the debt cap with immediate effect. The government issued a determination that revoked the previous determinations specifying local authority limits on indebtedness. As a result local authorities are now able to borrow for housebuilding in accordance with the prudential code.

### **Service Charges**

10. Service charges are intended to pay for the receipt of services over and above the provision of a standard dwelling, and not provided to all tenants. They should meet the full cost of providing the service in question, but never exceed it.

### **Garage Sites**

11. HRA garages are not let exclusively to HRA tenants and garage sites do not form part of HRA ringfenced services.

### **HRA Contingency Reserve**

12. The contingency reserve is set aside for emergencies and other unforeseen expenditure and is the minimum level below which the council does not allow its reserves to fall when preparing budgets and medium-term forecasts. On 25 February 2012, the council approved the setting of the contingency reserve at 5% of gross HRA turnover (rounded to the nearest million pounds).

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
1	Government Legislation	There are changes to Government policy that have in year service and budget impact.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	4	5	20	R	<ul style="list-style-type: none"> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Close monitoring of developing national position and reporting to Members.</li> </ul>	Director of Finance	Quarterly
2	Income and Funding	Right to Buy sales are higher than forecast.	Less revenue will be received over the life of the plan than has been forecast.	3	4	12	A	<ul style="list-style-type: none"> <li>Prudent estimates of the level of Right to Buy sales are used in forecasting.</li> <li>Review impact of new government policies</li> <li>Weekly monitoring of sales</li> </ul>	Director of Finance	Monthly
	Income and Funding	Inflation rates are lower than budgeted for.	Rents cannot be raised as much as has been forecast.	2	5	10	A	<ul style="list-style-type: none"> <li>Prudent estimates of inflation rates are used in forecasting.</li> </ul>	Director of Finance	Monthly
4	Income and Funding	General interest rates are higher than forecast.	If interest rates are higher than forecast there will be greater interest payments.	2	5	10	A	<ul style="list-style-type: none"> <li>Prudent estimate of interest rates are used in forecasting. The latest forecasts from the OBR are used.</li> </ul>	Director of Finance	Monthly
5	Income and Funding	Higher than anticipated bad debts.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	3	3	9	A	<ul style="list-style-type: none"> <li>Robust debt collection and recovery mechanisms in place.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Monitor effect of Universal Credit.</li> </ul>	Service Director of Housing	Monthly

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
6	Financial and Budget Management	Ineffective budget management.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>Monthly monitoring at service level and quarterly monitoring to Councillors.</li> </ul>	Director of Finance	Monthly
Page 296	Financial and Budget Management	The 30 year asset management plan is inaccurate.	Capital expenditure is not budgeted correctly.	2	4	8	A	<ul style="list-style-type: none"> <li>Close interrogation of information generated from asset management systems.</li> </ul>	Service Director Housing	Monthly
	Financial and Budget Management	Treasury Management Activity, including increases in the cost of borrowing (e.g. LOBO loans being called) and/or reductions in the return on investments.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> <li>Robust Treasury Management Strategy.</li> <li>Established and experienced Treasury Management function.</li> <li>Proactive approach to the management of the council's cash flow, on a daily basis, including seeking opportunities to take advantage of borrowing opportunities when interest rates are favourable and seeking to maximise returns on investment whilst effectively managing the risk associated with those investments.</li> <li>External treasury management advisors who provide a proactive and timely service and advice.</li> </ul>	Director of Finance	Daily



## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
9	Financial and Budget Management	Loss of ICT facilities, e.g. due to failure of systems and/or disaster recovery arrangements or key personnel	Lack of robust financial information on which to monitor budgets, leading to in-year budget deficit requiring savings to be identified or the use of Housing Revenue Account balances	2	4	8	A	<ul style="list-style-type: none"> <li>ICT disaster recovery project and arrangements.</li> </ul>	Head of ICT	Monthly
10	Financial and Budget Management	HRA borrowing rises to unaffordable levels after abolition of borrowing cap	Inability to borrow to fund future capital projects results in delays or cancellations.	2	3	6	A	<ul style="list-style-type: none"> <li>Close monitoring of capital spend requirements and interest cover ratio.</li> </ul>	Director of Finance	Monthly
11	Income and Funding	Reduction to other income.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	3	6	A	<ul style="list-style-type: none"> <li>As part of the 2018/19 budget process income budgets were reviewed and revised accordingly.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Director of Finance	Monthly

## Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
12	Third Parties	Third parties and suppliers / contractors cease to trade or withdraw from the market.	Short term expensive solutions may be necessary. Requirements to undertake tender exercise. Increased ongoing cost due to reduced competition. Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	4	4	HA	<ul style="list-style-type: none"> <li>Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the council notice of emerging problems.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> <li>Strategic Construction Partnership uses two different contractors.</li> </ul>	Budget Holders	Monthly
13	Income and Funding	Lower than anticipated levels of capital funding through receipts and grants.	Capital schemes are cancelled or delayed or have to be funded from revenue budgets and/or prudential borrowing resulting in an over spend against budget requiring either in year savings or use of housing revenue account balance.	2	2	4	A	<ul style="list-style-type: none"> <li>The Capital Programme is actively and closely managed and when so doing expenditure and income streams are continuously monitored.</li> <li>Quarterly monitoring to Members.</li> </ul>	Director of Finance	Monthly

Appendix 5

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
14	Financial and Budget Management	Non pay inflation increase insufficient.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Director of Finance	Monthly
15	Service Demands	Increased demand for services including the impact of social and demographic pressures on demand for services.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> <li>As part of the 2019-2020 budget process budgets were reviewed and revised accordingly taking account of known and anticipated increases in demand.</li> <li>Monthly monitoring at service level and quarterly monitoring to Members.</li> </ul>	Budget Holders	Monthly

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## Appendix 3

### REPORT OF CONSULTATION ON RENTS AND SERVICE CHARGES FOR 2019-2020

As part of Council's commitment to involving tenants and other service users in the management of housing services, Wolverhampton Homes was asked to lead on undertaking formal consultation with tenants and leaseholders for 2019-2020. We also repeated the successful Facebook live streaming, enabling those unable to attend a Get-Together event, to watch and subsequently comment. The consultation also included a presentation to Wolverhampton Federation of Tenants' and Residents' Association (WFTRA) and a further presentation to the managing agents delivering services on behalf of CWC.

During consultations, tenants and leaseholder were reminded that, when making decisions about future rent strategy, the Council needs to ensure that it accurately forecasts the cost of managing and maintaining the Council housing stock, including maintaining decent homes, delivering capital repairs or improvements, undertaking major estate renewal schemes, as well as achieving the maximum number of new build Council homes. This year, attention to fire safety compliance, High rise infra structure works and the need to prepare for the outcome of the Housing Green Paper featured more prominently.

#### Dates of consultations and venues

- 17 October 2018                      Wednesfield GT
- 25 October 2018                      Bilston GT – Including Facebook live.
- 5 November 2018                      Management agent meeting
- 19 November 2018                      Wolverhampton Federation of Tenants Association
- 12 December 2018                      Leaseholder Forum

The consultation by way of presentation took account of:

- Demonstrable transparency on cost and value for money.
- Highlighting Capital Programmes delivered through 2018-2019
- Final year of 1% rent reduction
- Service Charges
- Five year Capital expenditure plans
- The main topics within the Housing Green Paper
- Opportunity for audiences to feedback any observations or comments in relation to the presentation for consideration by the Council and subsequent inclusion in the paper to be presented to Cabinet 2019.

## **Appendix 3**

### **Get Togethers and wider consultations**

Areas of consultation or discussion - The government rent freeze policy ending March 2020 was explained and there was a discussion about Capital Programmes both in progress and planned within 5-year expenditure plans. Services charges were presented with little or no challenge. Exercise undertaken in relation to the topics contained within the Housing Green Paper, with each table presenting back thoughts and observations which were then included in Wolverhampton Homes response to Government.

### **Comments / Feedback Received**

Wednesfield GT – only point of significance related to Universal Credit and how it was felt to be unfair and placed tenants in financial hardship.

Bilston GT – Questions raised related to Heating Improvement charges – Gas and Electric. Elec storage heaters in place for many years, never serviced or replaced, and felt that charge had more than covered the original expense.

Rent should cover gas and electric heating systems and not be met by service charges.

Management Agents – no views expressed in terms of the detail within the presentation

WFTA – Universal credit and the challenges it places upon those in receipt, expressed dissatisfaction with the reliance some families now place upon foodbanks.

Heating Improvement Charges – the charge for Electric storage heaters was challenged as paid charge for number of years and probably paid for them many times over.

No concern about rent reduction but commented upon, subsequent rises in the years ahead and felt likely that the 5 years of rent reduction would soon be recouped in future rent setting calculations.

Observation relating to increasing Homelessness and the affordability of new affordable homes that aim to reduce homelessness in the City

Leaseholder Forum – scheduled for Wednesday 12 December 2018.

### **Conclusion**

The meetings were well attended, and tenants gave the impression they were generally pleased that there were no proposals to increase service charges, other than the previously consulted increase linked to the central heating service charge to achieve full recovery. Accepted and recognised that there are going to be some challenges ahead, particularly around Welfare Reform and Homelessness, whilst welcoming the support that Wolverhampton Homes and the Council were providing.

Darren Baggs

Assistant Director – Housing

December 2018

	<b>Cabinet</b> 23 January 2019
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<b>Report title</b>	i54 Western Extension	
<b>Decision designation</b>	RED	
<b>Cabinet member with lead responsibility</b>	Councillor John Reynolds City Economy	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	Oxley, Bushbury North	
<b>Accountable director</b>	Richard Lawrence, Director of Regeneration	
<b>Originating service</b>	City Development	
<b>Accountable employee</b>	David Sabine	Project Manager
	Tel	01902 555584
	Email	david.sabine@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Regeneration Leadership Team	4 December 2018
	Strategic Executive Board	18 December 2018

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#### Recommendations for decision:

The Cabinet is recommended to recommend that Council:

1. Agree to be a 50:50 investment partner for i54 Western Extension to be funded through the funding strategy and driving principles as set out in the report.
2. Approve a phased budget approach working on the principles of working with the partners to secure and maximise grant funding and contributions, use of capital receipts generated from the site and any with borrowing being repaid from future business rates generated from the site.
3. Approve the use of the capital receipts generated from the site to form part of the funding package.
4. Delegate authority to the Cabinet Member for City Economy and Cabinet Member for Resources, in consultation with the Director of Regeneration and Director of Finance, to:

- a. Approve supplementary capital budgets for Phase 1, 2 and 3 on the basis that budgets are fully funded through external funding, existing borrowing approvals and contributions from Staffordshire County Council.
- b. Approve Phase 1, 2 and 3 capital budgets to cover the potential transfer of Staffordshire County Council's 50% share of grants and contributions in accordance with the funding strategy set out in this report.

The Cabinet is recommended to:

1. Endorse the emerging proposals to bring forward the 100-acre extension to i54 Western Extension in partnership with Staffordshire County Council.
2. Approve the continuation of the design, management and delivery project for the City's 60 acres known as i54 Western Extension (South) including an Access Road, Services Infrastructure and Platform Preparation works.
3. Approve Staffordshire County Council acting as the lead authority and commissioning body for the detailed design and construction of the proposed site access road.
4. Delegate authority to the Cabinet Member for City Economy and Cabinet Member for Resources, in consultation with the Director of Regeneration and Director of Finance, to:
  - a. Approve the Council entering into a Joint Venture Agreement with Staffordshire County Council for the management, funding and delivery of the Access Road, Services Infrastructure, Platform Preparation and all associated marketing, promotion and disposal for employment use.
  - b. Approve the Council entering into a Collaboration Agreement for Business Rate Retention and Distribution Agreement with South Staffordshire Council, Staffordshire County Council in relation to the retention and distribution of business rates from i54 western extension.
  - c. Approve the Council entering into an agreement with Midlands Land Portfolio Limited to surrender their 'Option Agreement' on the completion of the Access Road and release restrictive covenants over land owned by the Council.
  - d. Make further appointments of consultants and contractors as appropriate to develop the works design and undertake the necessary procurement of the works.
  - e. Approve the Council entering into a Grant Funding Agreement with Black Country LEP for the Access Road funded through the Local Growth Fund – Transport Fund.
  - f. Approve the Council entering into a Grant Funding Agreement with Black Country LEP for the Platform Preparation Works funded through the Land Property Investment Fund.
  - g. Agree and implement a marketing, promotion and disposal strategy in alignment with Partners agreed desired outcomes.
  - h. Approve, in conjunction with Staffordshire County Council the appointment of contractor(s) as appropriate to deliver the physical works in accordance with the



delivery strategy and approve the Council entering into any such contracts and agreements necessary for their appointment.

- i. Approve the terms of any other ancillary agreements required for the Council to enter into including but not limited to Planning Agreements, Highways Agreements, Warranties and agreements necessary for the connecting the site with services and utilities
- j. Approve the Council entering into any agreements, transfer or leases relating to the disposal of the development to plot purchasers

**Recommendations for noting:**

The Cabinet is recommended to note:

1. The progress made in delivering the i54 project to date, the economic and social outputs realised to date and the Partners return on investment.
2. The progress made on i54 Western Extension including the planning application process, key outputs and delivery programme
3. The status of the funding strategy, key delivery agreements and governance arrangements including, the Joint Venture Agreement and Business Rate Retention Agreement with Staffordshire County Council and South Staffordshire Council.
4. The current position of discussions with Midland Land Portfolio Limited, Severn Trent's property vehicle and title holder of the adjoining 40 acres.
5. The Delivery Strategy and Decision Gateway matrix which will provide a process for managing the instruction and expenditure of ongoing work.
6. Approval for capital budgets required for phase 4 and 5 will be sought in separate reports in accordance with the funding strategy and decision gateway strategy as set out in this report.

## 1.0 Purpose

- 1.1 The report will update Cabinet on the current position of i54 and the resulting outcomes and economic benefits. It will also set out the current status of i54 Western Extension and the funding and delivery strategy for delivery of the City's 60 acres through to realisation of outputs.
- 1.2 The purpose of the report is to:
  - a. Provide an update on the progress of i54 and the disposal of plots and the financial position in terms of repayment of borrowing.
  - b. Highlight the resulting economic benefits from i54 to date.
  - c. Set out the current status of i54 Western Extension including the proposed funding strategy principles developed with the Partners comprising City of Wolverhampton Council, Staffordshire County Council and South Staffordshire Council for bringing forward the City of Wolverhampton 60 acres plus access road and services infrastructure.
  - d. Identify the options considered and the decisions taken which has been influenced by both technical and market drivers.
  - e. Clearly set out the funding and delivery principles including cost and budget provisions for material works, risk and contingency.
  - f. Identify the key activity milestones within the delivery programme.

## 2.0 Background

### **i54**

- 2.1 i54 Business Park is a 97 hectare (240 acre) site in South Staffordshire. In 2013 Staffordshire County Council (SCC) and City of Wolverhampton Council (CWC) entered into a joint venture arrangement to share the investment cost of completing the on and off site infrastructure and plot preparation works.
- 2.2 The mechanism for the pay back of the investment was provided by the Enterprise Zone designation on 1 April 2012. The designation allowed for 100% of the rates collected from i54 by South Staffordshire Council (SSC) to be paid to CWC as accountable body for the Black Country LEP (BC LEP) and then split between CWC and SCC (via the Stoke and Staffordshire LEP (S&S LEP)) until such time as the investment is paid back.
- 2.3 There are now six occupiers operational on the i54 site; Moog, Eurofins, International Security Printers, ERA Total Security, Atlas CopCo and Jaguar Land Rover with their last phase being fully operational end of 2018. Heads of Terms for Plot C have been agreed and solicitors instructed to progress land sale agreement. This currently leaves circa 12 acres across plots D & E.

- 2.4 The headline successes and economic outputs realised from i54 to date can be seen in Appendix 1 to this report:

### **i54 Western Extension**

- 2.5 i54 Western Extension is land to the West of the existing i54 estate comprising 100 acres (40 ha). Its ownership is split as follows:  
i54 Western Extension South - City of Wolverhampton Council (CWC) 60acres / 24 ha  
i54 Western Extension North - Midlands Land Portfolio Ltd (MLPL) 40acres / 16 ha  
Midlands Land Portfolio Limited (MLPL) is a property vehicle of Severn Trent Plc.

### **Current Use**

- 2.6 The 60 acres (24 ha) in the ownership of CWC is in agricultural use and is let on short term farm business tenancies. The tenant farmers have been given written notice to vacate December 2018.
- 2.7 The 40 acres (16 ha) of MLPL land is unoccupied but has historically been used for the disposal and spreading of sewage sludge from the nearby water treatment plant. Records indicate this activity ceased in 1993.

### **Future Opportunity**

- 2.8 Studies have demonstrated that there is a serious undersupply in the region of sites suitable for large scale manufacturing concerns. The land to the west of i54 has both the scale and accessibility to respond to the demand for such sites.
- 2.9 The objective is to deliver the proposal in the South Staffordshire Local Plan Site to extend the adjoining i54 Strategic Employment Area to ensure there are adequate opportunities to continue the successful attraction of high quality, high technology advanced manufacturing uses.
- 2.10 Given the demand for quality high value manufacturing sites the land to the West of i54 referred to as Western Extension is considered as a significant future opportunity allowing the Partners to build on the success of i54 and meet the strategic objectives of the partnering authorities, their respective LEP's and the West Midlands Combined Authority.

### **Midlands Land Portfolio Ltd. (MLPL)**

- 2.11 The Joint Venture partners have for the last two years maintained a 'proactive' position with MLPL looking at ways to facilitate the bringing forward of their 40 acres for the benefit of all parties. Their position and commitment has been inconsistent and fluid and they have recently confirmed that they are not in the position to make a contribution to the access road scheme due to uncertainty around their development costs.
- 2.12 A compromise position has been found whereby they will forego a land option that they control relating to the line of the access road once the access road is built. As such,

infrastructure to facilitate statutory undertakers utilities provisions to the MLPL Land will not be provided at this stage.

The financial modelling reflected no contributions towards the funding strategy.

- 2.13 CWC have previously made an offer to purchase the Severn Trent Land and at the time they were not prepared to sell their land interest. The Partners will continue to monitor MLPL's position as part of the Delivery Strategy and Decision Gateway.

### **3.0 Progress on Meeting Development Objectives**

- 3.1 The following section provides an update on the master planning activities and the progress made following Cabinet approval in November 2016. It sets out the factors which have influenced the development proposals including the outline planning application and the partners funding and delivery strategy.

#### **Market Advice**

- 3.2 Independent advice was obtained from both Bulleys, the existing i54 commercial marketing agents and international agents Jones Lang Lasalle. Following their independent review of the potential of the Western Extension and evidence of recent activity and enquiries, a site marketing report was prepared which drew the following conclusion;

*“There should be flexibility in the masterplan to allow for both a single unit and multiple unit scheme. If a manufacturing requirement of 100,000m<sup>2</sup> could be sourced this would be the perfect scenario. The evidence however in terms of live manufacturing requirements would suggest that there is stronger demand in the smaller size brackets and this should be harnessed. Flexibility to market the site on a dual approach would be our recommendation.*

*Through the initiative of the Development Partners, i54 Western Extension will provide fully serviced and prepared employment land capable of accommodating major investor / occupiers.”*

JLL February 2018.

#### **Occupier Demand**

- 3.3 The proposed i54 extension has already attracted market interest including an enquiry from a significant international manufacturer. Given their operational start requirements however and the need for a 'shovel ready' site they sought alternative locations. Further inward investment enquiries for space in excess of 50,000m<sup>2</sup> have been received and as such the Partners are committed to bringing forward the land to be in a position to accommodate high value manufacturing occupiers. It is essential that further enquiries are not lost and that the site is prepared for development at the earliest opportunity.

## **Development Proposals**

- 3.4 Based on the market advice and occupier demand a development and planning strategy has been established which provides flexibility. Through a pre planning application meeting with South Staffordshire Planning team the principles of a '2 Option' scheme were discussed.
- a. Option 1 comprises one large building should a single use occupier be interested in the site. The maximum floor space of such a building would be 100,000m<sup>2</sup> Gross External Area (GEA) including 10% ancillary offices on the assumption that it has a site coverage of 40% which is typical for a large manufacturing building.
  - b. Option 2 is an alternative scenario for how the site could be developed with a number of buildings of various sizes to accommodate different occupiers. There would be three development platforms at different levels accommodating buildings with a total floor space of 82,000m<sup>2</sup> GEA including 10% ancillary offices.
  - c. Appendix 2 to this report shows the two options. Either option being subject to a development parameters plan which provides a net development area of 43.6 acres (17.7ha).

## **Public Consultation**

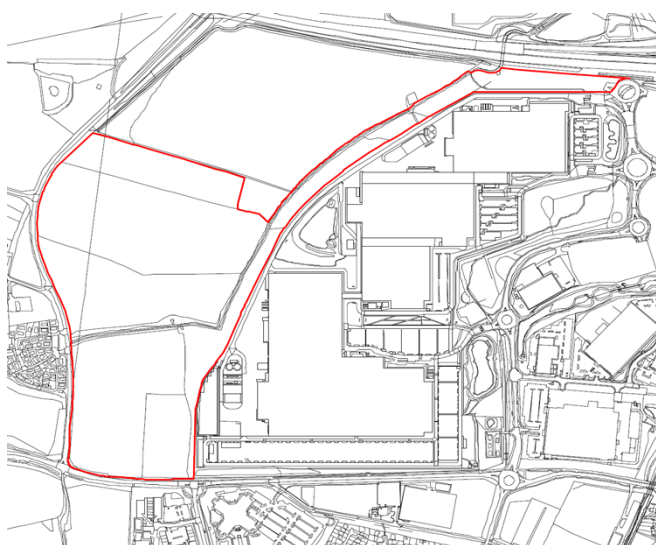
- 3.5 During early 2018 a programme of 'pre-planning' public consultation was undertaken in accordance with the Government's National Planning Policy Framework. A 'Statement of Community' Involvement has been submitted as part of the Planning Application which sets out the responses received through the programme of consultation.
- 3.6 The consultation feedback confirmed there was strong support for improving the foot path network in the area. New jobs are welcome but there is concern whether local resident's are equipped to compete for them.
- 3.7 The i54 Western Extension proposals have been subject to an Environmental Impact Assessment (EIA) and subsequent Environmental Statement. The EIA takes into account the principal issues raised by the consultation responses and assess the proposed environmental mitigation measures to be included in the development proposals. The planning application includes the construction of a 7 – 8 meter acoustic and visual bund along the elevation facing the Pendeford Mobile Home Park to reduce impact from the development. The proposals also include additional footpaths and cycleways including the opening up of Shooting Pit Wood to the public with the provision of nature walks.
- 3.8 Representatives from the British Horse Association, Ramblers Association and the Monarchs Way Association have been consulted and confirmed their support for the proposals including the diversion of the Middle Lane Bridleway.

## Outline Planning Application

3.9 Based on the market reports, site constraints and responses through the consultation process a planning application for the 60 acres and an Access Road was submitted July 2018. SSC have advised they will take to January 2019 Planning Committee. The following is a description of the proposed development:

3.10 Outline application for up to 100,000m<sup>2</sup> of employment development (Uses Classes B1b, B1c and B2) together with the creation of primary highway access to the i54 site, with all other matters reserved.

The planning application red line boundary along with key timeline and associated outputs is shown below.



### Delivery Timeline;

➤ Planning Decision	Jan 19
➤ Site Clearance	Q1 19
➤ Construct Access Road	Q2 19
➤ Prepare Dev Platforms	Q1 20
➤ Occupiers Build – Phased	5 year
➤ Start to Realise Outputs	2021 -22

### Key Outputs 60 Acres – Delivers:

- Access Road from i54
- Services Infrastructure
- Up to 100m<sup>2</sup> of B1 / B2 space
- 1500 – 1800 jobs
- Further Socio-Economic Benefits

## Existing Bridleway Diversion

3.11 One of the key features of the existing site is the bridleway referred to as Middle Lane which cuts across the southern part of the site from East to West.

3.12 Various early master planning options looked at both retaining and diverting the bridleway. Factors such as development flexibility, delivery and operational strategies, health and safety for horse riders and potential to provide an enhanced bridleway the decision was taken to present for public consultation schemes which re-aligned the bridleway.

## 4.0 Funding Strategy

4.1 The following section sets out the anticipated development costs, risks and contingency allowance along with the various funding streams which comprise the overall funding and delivery strategy.

## Development Costs

Work Element	Cost Estimate £M
<b>Access Road</b>	
Construction Works	4.2
Project / Design Fees	0.2
Other project Costs	0.1
Risk Allowance	0.5
Inflation Risk Allowance	0.3
Total	5.3
<b>Site Preparation &amp; On Site Roads</b>	
Construction Works	21.1
Project / Design Fees	1
Other Project Costs	0.7
S106 Contributions	1.4
Risk Allowance *	1.6
Inflation Risk Allowance **	1.6
Total	27.4
<b>Estimate Total</b>	<b>32.8</b>
<b>Client Contingency ***</b>	<b>5.7</b>
<b>Client Budget Total</b>	<b>38.5</b>

## Risk and Contingency Allowances

- 4.2 The following sets out the risk & contingency provision within the above Client Budget and on which the financial model and funding strategy is based.

<b>Risk Allowance</b> Included above (includes £1.3 million costed Risk Register and £0.7 million as Client Change & General Risk allowance)	2.0
<b>** Inflation Allowance</b> Included above (million includes £0.3 million for Tender Inflation to Tender Return 1Q 2019 and £1.56 million for Construction inflation to midpoint of construction 1Q 2019 – 2Q 2020).	1.9
<b>*** Client Contingency</b> Included above (based on assessment of each key activity and the likely hood and potential impact for further cost exposure).	5.7
<b>Total Provision</b>	<b>9.6</b>

- 4.3 Further explanation on contingency provision is contained in the Western Extension Budget & Cost Report.
- 4.4 The cost estimate has been prepared by an independent cost consultant. This is undergoing Peer Review from which a report on methodology and approach, high level cost review, risk and contingency assessment with a report being prepared for early

January 2019. At the same time Thomas Lister and their Cost advisors Gleeds are also undertaking a review of cost and contingency on behalf of the BCLEP as part of the Grant application process.

- 4.5 The Client Budget including Contingency set at £38.5m has been used to inform the Financial Modelling and will form the basis of the Funding Strategy and Capital Programme Cabinet Report. These are initial cost estimates and will be refined as the project is taken through the detailed design process.

### **Funding Strategy**

- 4.6 A draft Joint Venture Agreement referred to in recommendation 4a has been developed between CWC and SCC which covers governance and management arrangements including the funding strategy and financial management arrangements.
- 4.7 It is based on the principles of the current i54 Joint Venture whereby grants, contributions and business rates are used to offset and repay the borrowing that is incurred equally by City of Wolverhampton Council and Staffordshire County Council.
- 4.8 In-principle agreements have been reached with the i54 Steering Group and Executive Group to adopt a joint funding strategy comprising a combination of the following;
- Black Country Local Enterprise Partnership (BCLEP) Grant Funding.
  - Stoke & Staffordshire Local Enterprise Partnership (S&SLEP) Grant Funding
  - Land Receipt from sale of serviced plots
  - Business rates from i54 via Stoke & Staffordshire LEP (SSLEP)
  - Borrowing based on Future Business Rates from Western Extension.
- 4.9 Financial modelling has been undertaken based on latest cost estimate data and the introduction of the above funding streams through the life of the project.

### **Delivery and Decision Gateway Strategy**

- 4.10 As part of the funding strategy the Joint Venture Partners have developed a 'delivery and decision gateway' tool which will assist in the review and management of potential cost risk exposure.
- 4.11 Whilst our intelligence to date has indicated demand for land west of i54 there is always a risk around the macro-economic context and market conditions which in turn could limit the demand for the land and property at the site which could create significant cost exposure to the Joint Venture Partners.
- 4.12 The gateway matrix will provide a process for managing the instruction and expenditure of ongoing phases of work through a series of key review and decision points. It will provide a check on delivery strategy and to ensure the appropriate funding is in place to deliver the work. The decision point gateways are set out in Appendix 3 to this report.



4.13 The overriding funding strategy principles for the i54 Western Extension project are similar to those which applied to the existing i54 South Staffordshire Enterprise Zone site:

- Equity is the driving principle
- Sharing risk equally means that the funding partners will equally share reward
- The project will be treated in a similar way to an Enterprise Zone over a 25 year time period - if the project payback has been cleared before the 25 year period, any subsequent financial benefit will be shared for the remaining time period
- Any capital receipts from plot sales will be used as a first call in paying back prudential borrowing
- There is an expectation that the Stoke-on-Trent and Staffordshire LEP (SSLEP) and Black Country LEP (BCLEP) will contribute equally to the project (through grant funding, business rates receipts or a combination of both)
- Because of the uncertainty related to Government Business Rates policy, a request will be made to the SSLEP and BCLEP to underwrite public sector borrowing related to the project
- A number of key investment decision gateways will be built into the project plan to confirm intention to invest in significant capital expenditure at appropriate break points in the project to mitigate against risk related to wider macro-economic conditions and policy change (such as the wider economic market and Business Rates policy)
- The financial modelling for the project is built around the 60 acres of land in the ownership of City of Wolverhampton Council, rather than the full 100 acres of the Western Extension site.

## 5.0 Risks

5.1 The following are risks which have been extracted from a comprehensive and detailed project risk register.

Nr	Risk	Means of Managing
1	Opposition / objection to scheme. Delay to start.	Communication with key consultees. Clear articulation of benefits to local residents. Risk reduced as South Staffs SAD which takes the land from Green Belt to Employment Land has been formally adopted. Support from with Ramblers Association, British Horse Association and Monarchs Way Association regarding Bridleway diversion.
2	A delay to planning application approval may impact on site clearance in the early part of 2019 in the ecological window. Failure to meet this may mean a delay to an August 2019 start.	Submission of detailed information to support planning consultation process. Regular dialogue with South Staffs Council and key consultees. In the event of a delay to planning consent to early 2019 re planning and phasing can be implemented to maintain start of access road.
3	Lack of market interest. Delay to disposing of plots / site	Marketing advice provided by commercial property experts JLL and Bulleys have confirmed that there is a strong demand for employment land of this quality and size and a shortage of competitor sites across the West Midlands area. The

		<p>experience of the adjacent existing i54 site has reiterated the demand at this location and there have been several strong enquiries already for development at the Western Extension although these have not materialised due to the timescale requirements of end users.</p>						
4	<p>Funding Strategy. Gaps within or funding streams not realised will impact on delivery</p>	<p>Details and approval of the Partners Funding Strategy is continually being worked through with all parties. Financial modelling and scenarios have been developed to show impact of variances with each funding stream.</p> <p>The three Councils are preparing their Cabinet reports setting out funding strategy to obtain relevant approvals to deliver the scheme.</p> <p>The investment decision gateways referenced above will allow the Joint Venture partners to ensure that sufficient funding is available to commit to relevant expenditure at the required point.</p> <p>If the project does not ultimately go ahead as a result of being able to secure sufficient funding, the local authority partners will need to be aware that to date, approximately £1.6 million has been committed by CWC on behalf of Joint Venture partners.</p>						
5	<p>Funding Risk - Change in Business Rate Policy impacting</p>	<p>Uncertainty of Government Business Rates policy - A request has been made to both SSLEP and BCLEP for under writing the public sector borrowing associated with part funding the scheme from future business rate receipts from the site. This mitigation would also help to address any potential risks associated with future Business Rates resets and/or revaluations.</p>						
6	<p>Grant Funding Legality. Black Country LEP / Combined Authority unable to provide Grant Funding due to geographical issues.</p>	<p>i54 Western Extension is recognised by the Black Country LEP, Combined Authority and Midlands Engine as a strategic site which will contribute to their respective Economic Plans. Notwithstanding a legal position / ruling has been sought confirming Grant Funding award is legal and available.</p>						
7	<p>Delivery Risk - Programme and Cost over runs</p>	<p>The scheme is still at an initial stage whereby the developing detail could impact on both cost and programme.</p> <p>As the project and respective detail progresses the costs will be honed as well as the opportunity for cost savings implemented.</p> <p>Within the current budget the following cost provisions have been included to cater for either defined or undefined cost risk.</p> <table> <tr> <td>Risk Allowance Included above</td> <td>£2.0 million</td> </tr> <tr> <td>Inflation Allowance Included above</td> <td>£1.9 million</td> </tr> <tr> <td>Client Contingency Included above</td> <td>£5.7 million</td> </tr> </table>	Risk Allowance Included above	£2.0 million	Inflation Allowance Included above	£1.9 million	Client Contingency Included above	£5.7 million
Risk Allowance Included above	£2.0 million							
Inflation Allowance Included above	£1.9 million							
Client Contingency Included above	£5.7 million							

		These figures will be continually reviewed as the scheme progresses and costs are confirmed and risk exposure mitigated.
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## 6.0 Evaluation of alternative options

6.1 The following summarises the key options considered through the masterplanning process.

Option	Benefits	Negatives
<b>Option 1 – Do Nothing</b>		
<p>This option would result in the expansion land remaining undeveloped. The JV partners will not pursue the development of the City's 60 acres.</p> <p>The access road would not get constructed stifling development on the northern 40 acres.</p>	<ul style="list-style-type: none"> <li>• No Cost to the council both financial and staff resource.</li> <li>• No Financial risk</li> <li>• Local residents remain unaffected</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver no regeneration or economic development benefits</li> <li>• Would provide a negative signal to the market about the confidence of the public sector partner's in future commercial growth in this significantly important area of the West Midlands.</li> <li>• Formal adoption from Green Belt to Employment land would be wasted.</li> <li>• Missed opportunity to build on the benefits realised through i54</li> <li>• Failure to meet the Strategic Economic Benefits of the City, Black Country and Combined Authority</li> </ul>
<b>Option 2 - 60 acres + access road - Bridleway Retained</b>		
<p>This option progresses with developing 60 acres with development plots either side of the bridleway.</p>	<ul style="list-style-type: none"> <li>• Contributes to the BC LEP Strategic Economic Plan</li> <li>• Access Road opens up the full 100 acres</li> <li>• Avoids having to submit a bridleway diversion application.</li> <li>• Less disruption to the local ecology &amp; environment</li> </ul>	<ul style="list-style-type: none"> <li>• Restricts the size of plots and potential building sizes to a max of 35,000m2</li> <li>• Enquiries over this could not be accommodated</li> <li>• Design and Operational issues regarding user groups in particular horse riders and interface with business / commercial vehicles</li> <li>• Introduction of 'Pegasus' horse crossing but still potential health and safety considerations</li> </ul>
<b>Option 3 - 60 acres + access road - Bridleway Diverted</b>		
<p>As Option 2 but re-aligns bridleway around the proposed development site providing flexibility to development platforms.</p>	<ul style="list-style-type: none"> <li>• Contributes to the BC LEP Strategic Economic Plan</li> <li>• Access Road opens up the full 100 acres</li> <li>• Flexibility in plot sizes</li> <li>• Provides a development platform capable of up to 100m2 building.</li> <li>• Serviced land of this scale and accessibility is in very short supply</li> <li>• Attractive to Major Investor / occupiers</li> <li>• Provides horse riders, ramblers and cyclists with</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of protracted consultation and delay to planning approval</li> <li>• Loss of hedge row potentially results in off site ecology compensation works.</li> <li>• Objectors to scheme could focus on this as a key reason for refusal</li> </ul>

	safer route round the development site. <ul style="list-style-type: none"><li>• Potential for user groups to get an enhanced bridleway, footpath and cycle way.</li></ul>	
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## 7.0 Reasons for decision

- 7.1 The i54 Steering Group responsible for leading the i54 Western Extension on behalf of the Joint Venture Partners agreed to progress Option 3 above.
- 7.2 Option 1 – Do nothing. This was eliminated very early on. This decision was supported by the Leaders of the three Councils who continually pledge their commitment and support to delivery of the western extension.
- 7.3 Whilst Option 2 and 3 both make significant contributions to the City's, BC LEP and Combined Authority Strategic Economic Plan it was agreed to progress a development proposal for western Extension which provided the greatest flexibility and opportunity for major occupiers seeking serviced plots of scale and accessibility to the national transport network.
- 7.4 The independent market report recommended implementing a scheme which provides flexibility in the masterplan to allow for both a single unit and multiple unit scheme. If a manufacturing requirement of 100,000m<sup>2</sup> could be sourced this would be the perfect scenario. Similarly, there is evidence in terms of live manufacturing requirements which suggest that there is stronger demand in the smaller size brackets and this should be harnessed. Flexibility to market the site on a dual approach is the recommendation.
- 7.5 The Outline Planning Application submitted reflects Option 3 with a development platform which could deliver either a single or multi plot development. With the bridleway being diverted round the development platform through a green infrastructure zone which will provide a significantly enhanced bridleway for all user groups including; equestrian and ramblers groups.
- 7.6 Whilst Option 3 introduces the issue of loss of habitat issues through removal of hedgerows the proposals have included on site compensation measures along with the potential to introduce off site biodiversity compensation at the neighbouring Pendeford Hall Nature Reserve.
- 7.7 Investment into the CWC's 60 acres of the i54 Western Extension will deliver strategic economic objectives at local, regional and national level providing the following outcomes;
- Up to 100,000m<sup>2</sup> of Advanced Manufacturing / high value Engineering Floor Space
  - In the region of 1,700 plus FTE High Value Jobs providing opportunities for local people
  - Gross Value Added (GVA) In the region of Circa £110 million

- Circa 250 FTE Construction Job opportunities
- £300 million plus Private Investment
- Enhancing the cluster of High Value businesses around Junction 2

7.8 i54 Western Extension is seen by the Black Country Local Enterprise Partnership as a strategic site and one that will play a key role in meeting the objectives of its Strategic Economic Plan (SEP) and further develop the Black Country's internationally recognised engineering base.

## 8.0 Financial implications

8.1 The Council has previously demonstrated commitment to the Western Extension with the approval of £2.5 million capital budget for feasibility and design development of the access road, services infrastructure and platform preparation works associated with the City's 60 acres (30 November 2016 Cabinet, 1 December 2016 Council and 24 July 2018 Cabinet (Resources) Panel).

8.2 Approval is now sought to proceed with the development of CWC's 60 acres including access road and provision of infrastructure services into a fully serviced site based on the funding and delivery strategy set out in this report. Delivery of the project is currently estimated to cost £38.5 million with CWC and SCC sharing all costs and risks on a 50:50 basis. Wolverhampton's existing budget of £2.5 million will form part of the total anticipated scheme costs of £38.5 million and 50% will be recovered through the Joint Venture funding strategy being agreed with SCC.

8.3 Financial modelling has been undertaken based on latest cost estimate data, CWC and SCC delivering the scheme on a 50:50 basis, the principles set out in section 4 and the anticipated funding streams as set out below:

This table is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

8.4 A number of scenarios have been modelled with the most likely scenarios currently expecting a 15 to 20 year payback period with borrowing repaid by 2033 to 2038. Based on the funding strategy principles this could potentially see each of the three partners to the Business Rates Agreement receiving an equal share of approximately £1.0 million of business rates for 5 to 10 years.

8.5 Despite anticipated returns from the site and the significant regeneration benefits generated there is also significant cost risk exposure around wider macro-economic conditions and Business Rates Policy. As the project is not in the Enterprise Zone, an inherent risk to the project is the amount of business rates collected that can be used to repay the borrowing, thus potentially extending the payback period. A business rates reset might cancel out any 'uplift' in business rates that SSC collect, or a change to SCC baseline needs assessment could also reduce the amount of rates available to repay the borrowing.

- 8.6 Partners are currently reviewing risk mitigation measures including a request to each respective LEP to jointly underwrite the public sector borrowing liability on an equitable basis, through the use of retained business rates from the existing i54 site. Wider macro-economic conditions could also impact on occupier demand, capital receipt value and timing, timing of rates from the site and also timing and value of rates receivable from the existing i54 site which could significantly change the payback period.
- 8.7 If the project does not ultimately go ahead as a result of being able to secure sufficient funding it should be noted that approximately £1.6 million has been committed to date by CWC on behalf of the Joint Venture partners.
- 8.8 With current market demand and the potential for financial return over and above the key regeneration benefits it is considered advantageous to maintain momentum with scheme delivery. Due to cost risk exposure around wider macro-economic conditions and Business Rates Policy it is however considered prudent at this stage to approve budgets based on the Decision Point Gateways phases detailed in appendix 3 and summarised below:

Phase	Anticipated JV Budget £ million	Anticipated Budget Approval Requirement
<b>General</b> – Master Planning, Feasibility & Site Investigations	1.8	Previous budget approval of £2.5 million
<b>Phase 1</b> - Site Clearance & Eco/ Habitat Works	0.3	Delegated authority sought is in this report to approve budget in due course.
<b>Phase 2</b> - Access Road & Services Corridor	7.8	Delegated authority sought is in this report to approve budget in due course.
<b>Phase 3</b> - Bridleway Diversion	0.4	Delegated authority sought is in this report to approve budget in due course.
<b>Phase 4</b> - Services Reservations	6.5	Further report will seek budget approval in due course.
<b>Phase 5A</b> - Green Infrastructure Zone 1	2.4	Further report will seek budget approval in due course.
<b>Phase 5B</b> - Platform Preparations	19.0	Further report will seek budget approval in due course.
<b>Phase 5C</b> - Green Infrastructure Zone 2	0.3	Further report will seek budget approval in due course.
<b>Total</b>	<b>38.5</b>	

- 8.9 In accordance with this strategy approval is sought for delegated authority to the Cabinet Members for City Economy and Resources in consultation with the Director of Regeneration and Director of Finance to increase the current capital programme budget of £2.5 million to cover the budget requirements for phases 1, 2 and 3. This delegation would be on the basis that budget increases are fully funded through external funding and contributions from SCC with no net increase in council resources required from the capital programme. This would also include budget approval to cover the potential transfer of SCC's 50% share of grants and contributions in accordance with the funding strategy.
- 8.10 The anticipated joint venture project budget for works up to and including phase 3 would be £10.3 million.
- 8.11 This approach provides the opportunity to finalise the budget details in response to the grant determinations secured whilst maintaining momentum with scheme delivery in order that grant drawdown is maximised and further investor opportunities are not lost.
- 8.12 Budget approval of further phases will be sought at later stages in the gateway strategy in order that decisions can be informed by market conditions at the time. This also provides opportunity to secure a higher level of certainty regarding rates, other potential funding opportunities and review the borrowing levels and payback acceptable to the investing partners without causing delays to scheme delivery.

[ES/08012019/K]

## **9.0 Legal implications**

- 9.1 The various legal work streams that will arise throughout the development programme including; planning; procurement; agreements with adjoining land owners, state aid, collaboration agreements and funding will each require detailed consideration and appropriate legal agreements.
- 9.2 The Joint Venture Agreement will allow the Council to progress the development with its Joint Venture Partners and the Collaboration Agreement will allow the Council to recover its investment in the scheme. The Collaboration Agreement also includes a requirement to co-operate with the other parties in respect of the scheme.
- 9.3 The Joint Venture Agreement requires the Council to be jointly responsible for the development of the site but not to make appointments of consultants or dispose of the sites without the consent of Staffordshire County Council. The Council will also be required to enter into licences, easements and eventually agreements and leases/transfer of the development.
- 9.4 The Joint Venture Agreement set out that the parties will each be responsible for half of the project expenditure. When both parties have recovered all project expenditure the

proceeds will be distributed between the Council, Staffordshire County Council and South Staffordshire district Council in equal shares.

- 9.5 The Deed of Release relating to restrictive covenants and option will ensure that the land is free from covenants in favour of MLPL
- 9.6 The matters referred to above and in recommendation four will be reported and legal advice will be provided on the details of the various agreements through the delegated authority.  
[TS/19122018/T]

## **10.0 Equalities implications**

- 10.1 Through the post code mapping exercise the Partners have demonstrated local residents have directly benefitted from i54 through job opportunities created or by benefitting indirectly via improvements in local infrastructure and sustainable travel with increased bus services for those who rely on public transport. Just under 50% of employees on i54 live within a 10 mile radius. 958 from Wolverhampton.
- 10.2 Through the Education Business Partnership Centre programmes have been developed which looks at gender equality. 'Women in Engineering' programmes have been developed with Jaguar Land Rover.
- 10.3 'Readiness for Work' and training programmes have been established with Job Centre Plus (JCP) Department for Work & Pensions (DWP) and the Partners to train and prepare unemployed residents through Sector Based Work Academy. 78 people to date have secured work at Jaguar Land Rovers Manufacturing Centre including an individual with impaired hearing. Many more have secured work around the junction 2 area again through the Sector Based Work Academies.
- 10.4 Business support and engagement with existing and new occupiers will establish procedures for promoting and capturing equal opportunities across i54 and Junction 2. Further consideration of equalities will be undertaken as the project moves forward and help shape the development of work streams and the setting of targets and outcomes.

## **11.0 Environmental implications**

- 11.1 Land referred to as Western Extension is currently designated as Green Belt in South Staffordshire. Following an extensive public consultation process including the 'Examination in Public' in 2017. The 100 acres extension has been formally adopted as employment land in South Staffordshire Council Local Plan.
- 11.2 The development proposals have undergone a full Environmental Impact Assessment and along with responses through the Pre-application consultation process various design solutions have been established to help mitigate environmental impacts, including;



- a. Loss of habitat and bio-diversity through potential developed have been considered in the proposals and onsite mitigation and offsite compensation measures have been provided.
- b. Visual and Environmental impact on the adjacent Pendeford Mobile Home Park has been considered and measures introduced such as the formation of an acoustic and visual landscaped bund.
- c. It is proposed to form the bund as early as possible in the programme to help reduce noise and dust transfer during the construction works.
- d. Construction Management Plans will be prepared prior to works commencing including the control of Heavy Good Vehicles to protect the surrounding residential areas.
- e. The capacity within the highway network around i54 and Junction 2 continues to be improved with further highway improvement works along the A449 Stafford Road programmed to be complete prior to occupation of the western Extension.
- f. Sustainable Travel is also a major area of focus and the Partners through the i54 Travel Plan Steering Group have been extremely successful in working with both operators and occupiers to provide sustainable travel solutions. The group will continue to work with new occupiers and businesses to i54, western extension and the wider Junction 2 area.

## **12.0 Human resources implications**

- 12.1 There are no human resources implications arising from this report.

## **13.0 Corporate landlord implications**

- 13.1 These strategic assets owned by the Council are managed by the City Development team and investment will enhance the value of the Council's land holding and deliver the Council's regeneration objectives.

## **14.0 Health and Wellbeing implications**

- 14.1 Discussions have been held with Pendeford Hall Nature Reserve regarding financial contributions towards a programme of works which would potentially include health and wellbeing activities for example;
  - a. Construction of a natural multi-play area
  - b. Creation of a nature trail – interpretation/wayfinding signage
  - c. Construction of a pond dipping platforms
  - d. Production of bespoke activity packs
  - e. Procurement of equipment for activities.

## 15.0 Schedule of background papers

Cabinet, 23 March 2011 Cabinet – Inward Investment: i54  
Cabinet (Resources) Panel, 26 July 2011 – Inward Investment: i54  
Council, 21 September 2011 – [Inward Investment: i54](#)  
Individual Executive Decision Notice, 20 February 2012 - Heads of Terms  
Individual Executive Decision Notice, 22 March 2012 - Variation of Heads of Terms  
Cabinet, 10 October 2012 - Black Country Enterprise Zone –Business Rate Uplift  
Individual Executive Decision Notice, 13 November 2012 – Sale of Land to Jaguar Cars Ltd  
Cabinet, 23 January 2013 – Inward Investment  
Individual Executive Decision Notice, 4 February 2013 – Inward Investment  
Individual Executive Decision Notice, 15 October 2013 – Land Feasibility Study  
Exempt Report of Cabinet, 11 March 2015 – [Junction 2 Programme](#)  
Exempt Report of 30 November 2016 Cabinet – [i54 Western Extension Update](#)  
Exempt Report of 28 March 2017 Cabinet (Resources) Panel – [Procurement – award of contracts for works, goods and services](#)  
Exempt Green Decision Notice 19 June 2017 – [i54 Western Extension - Consultant Team Appointment](#)  
Exempt Report of 24 July 2018 Cabinet (Resources) Panel – [i54 Western Extension](#)

## 16.0 Appendices

Appendix 1 - Economic Outputs – more detail  
Appendix 2 - Proposed Plans – Option 3 Flexible Plot Layouts  
Appendix 3 - Delivery Strategy and Decision Gateway

## Appendix 1 - i54 Economic Outputs

### Breakdown of Wolverhampton Employment at i54

<b>Company i54</b>	<b>Total no. Employees</b>	<b>Local no. Employees from Wolverhampton</b>
<b>Moog</b>	400	237
<b>ERA</b>	168	86
<b>JLR</b>	1281	460
<b>Eurofins</b>	739	146
<b>Atlas</b>	64	8
<b>ISP</b>	87	21
<b>Total</b>	<b>2,739</b>	<b>958</b>

### i54 Employment Information

A total of 2,739 jobs have been created at the i54 advanced manufacturing location with a further 1,900 jobs predicted by 2020. Of the jobs created so far, over 1,300 people (46%) who currently work on i54 live within a 10-mile radius. Of these 958 (35%) come from the City of Wolverhampton.

Working with Wolverhampton College and DWP, a number of Sector Work Based Academies (SWBA) which provide a direct pathway to help people in to work, connected with a specific employer.

To date over 1000 people, the majority coming from City of Wolverhampton, have been through the programme. 78 have secured a full-time position at JLR, others have been referred to additional training, skills or apprenticeship routes.

To support a diverse workforce DWP, working with JLR have held a number of Women in to Manufacturing and one Women in to Logistic events. Over 120 ladies, all from Wolverhampton, attended the manufacturing event. For many participants it has highlighted further skills development which Wolverhampton College is supporting.

The Education Business Centre, based in the JLR site has seen over 5,000 students since it opened in September 2013. 34% of visits have been from schools, FE and HE, in Wolverhampton. The centre looks to inspire young people in careers related to the automotive sector.

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## Appendix 2

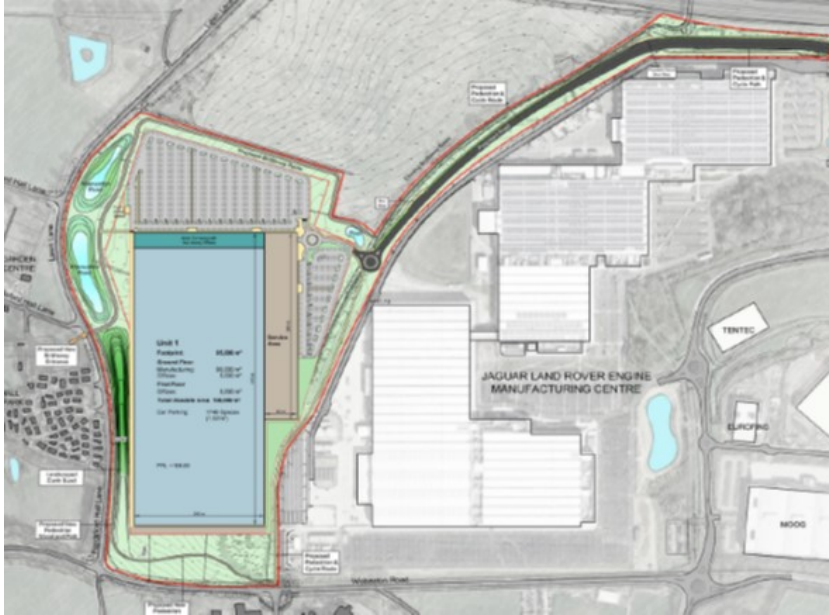
### Proposed Plans Option 3 – Flexible Plots Layouts

#### Single Plot Layout

Gross Area - 60 Acres + Access Road

Net Dev Area - 43 Acres

External Floor Area up to 100,000m<sup>2</sup>



#### Multi Plot Layout

Gross Area - 60 Acres + Access Road

Net Dev Area - 43 Acres

External Floor Area circa 82,000m<sup>2</sup>



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## i54 Western Extension - Delivery Strategy &amp; Decision Gateway Rev B Dec 18

**Key Dates;**

Planning Approval            January 2019 Committee  
Marketing Campaign        Circa January 2019 Commence

Phase / Scope of Works	Programmed Works Durations	Budget Cost £	Funding Stream	JV Decision Gateway	Objective / Opportunity	Consequence of not Progressing
General Pre-Development Activities	To April 2019	1,800,000	Borrowing	Approved	- Progress Master planning / Funding Strategies Planning Consent / Detailed Design / Pre- commencement Activities	- Abortive Costs - Negative Market Perception - Lose inward investment opportunities
<b>Phase 1</b>						
Enabling Works Site Clearance – Shooting Pit Wood, highways & services corridor & existing bridleway access and egress points Early Habitat enabling work	January – March 2019	300,000	Borrowing against the current £2.5m approval	January 2019	- Works commence following planning consent - Complete works outside bird nesting season. - Progress ecological / habitat mitigation works to facilitate development works and allow new eco habitats to be established.	- If not complete by March 2019 works may need to be re-sequenced to August 2019.
<b>Phase 2</b>						
Access Road & Services Corridor	April – December 2019 (material work)	7,750,000	BCLEP Grant £5m S&SLEP Grant [ £1m TBC] Borrowing	January 2019	- Access Road & Services Corridor works will start to implement significant infrastructure works and demonstrate delivery commitment to the occupier / developer market - Design & Delivery of service corridor.	- Abortive Costs - Negative Market Perception - Woodland / Ecological / habitat work undertaken unnecessarily
<b>Phase 3</b>						
Bridleway Diversion	April – June 2019	450,000	S&SLEP Grant [ £1m TBC] Borrowing	January 2019	- Divert bridleway to route ramblers, horse riders and cycles away from site works but still maintain access.	- Impact of coordinating diversion works with major earthworks / safety issues / increased costs.
<b>Phase 4</b>						
WPD Electricity Costs Services / Utility Costs	WPD Circa 18 months from reservation date (being checked)	6,500,000	Borrowing against - i54 rates - Future rates West Ext - Land Receipt	Q4 2019	- Reserve 14MVA from WPD to safe guard against re-allocation of the currently available power capacity from i54. - Timing of the instruction to make a reservation will be based on the above and the risk of limited / inadequate power supplies to support inward investment requirements. - NB. There is a possibility that the 14MVA spare capacity from i54 is available for Western Extension and any such reservation and associate costs will be returned.	- Delay or decision not to reserve power / utility services would have impact on confirming availability to potential occupiers. / Inward investment - Potential delay to 'power-on' dates. - Unavailable power to site.
<b>Phase 5 A-C</b>						
5A Green Infrastructure Zone 1 including Acoustic and visual bund along west elevation 5B Platform Preparation Works 5C Green Infrastructure Zone 2	January 2020 – March 2021	21,721,000	BCLEP Grant £5m Borrowing against: - S&SLEP i54 Rates - Future Rates West Ext - Land Receipt	Q1 2020	- Green Infrastructure Zone 1 works including landscape bund along western elevation fronting mobile home park which responded to consultation. - Opportunities through sequencing engineering works - Make available serviced plots for disposal to developers / occupiers. The commencement and completion of the platform works would bring to market land of size and scale providing ability to react to enquires. - The outline consent provides for up to 100,000m2 over either single or multiple platforms. - Potential financial and programme savings if platform works are coordinated with Landscape bund and attenuation ponds.	- Not progressing acoustic / visual bund may require representation to planning authority. - Potential issues with Mobile Home Park. - Potential loss of maximising cost efficiencies - Decision not pursue would mean not pursuing Phase 5. - Will not deliver the Partners & LEP's Strategic Economic Outputs / outcomes - Grant monies received for Access Road may need to be repaid as failed to deliver outputs / outcomes - Abortive design development costs would be incurred as well as borrowing costs to cover early cashflow investment.
Notes / Comments		<b>38,500,000</b> includes risk & contingency Potential savings being explored	<b>New approval required</b> January 2018 Cabinet	<b>Shading indicates</b> Approvals		<b>NOTE: Decision not to proceed with Phase 5 would be as a result of significant uncertainties / Collapse in National / International Economy / Significant Changes in Fiscal Policies</b>

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	Draft Budget and Medium Term Financial Strategy 2019-2020 – Provisional Local Government Finance Settlement Update	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Corporate Leadership Team	8 January 2019
	Strategic Executive Board	14 December 2019

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**Recommendations for noting:**

The Cabinet is asked to note:

1. The outcome of the 2019-2020 Provisional Local Government Finance Settlement.
2. That the final budget report presented to Cabinet on 20 February 2019 will reflect the outcome of the settlement, budget consultation, scrutiny work and detailed budget work for 2019-2020, including a review of all budget reduction proposals and the risks associated with their delivery.

## **1.0 Purpose**

- 1.1 The purpose of this report is to provide Cabinet with an overview of the 2019-2020 Provisional Local Government Finance Settlement, which the Government announced on 13 December 2018.

## **2.0 Background**

- 2.1 In 2016-2017 the Government announced a four-year settlement offer. The City of Wolverhampton Council was among 97% of local authorities who took up the offer. The Provisional Settlement confirms the final year of the four-year settlement and also provides an update on other funding streams and government consultations.
- 2.2 The Provisional Local Government Financial Settlement was originally expected to be announced on 6 December 2018, however, this was delayed due to the Brexit vote expected on 11 December 2018. The Provisional Settlement was subsequently announced on the 13 December 2018.

## **3.0 Council Tax Referendum Limit**

- 3.1 The Government confirmed the Council Tax Referendum limit at 2.99% for 2019-2020, which is in line with the assumptions built into the Medium Term Financial Strategy (MTFS).

## **4.0 New Homes Bonus**

- 4.1 The Government have announced that they are committing up to £20 million to maintain the New Homes Bonus baseline for growth at 0.4% in 2019-2020.
- 4.2 The Council's provisional allocation for 2019-2020 has been announced at £2.1 million. This is an increase of approximately £265,000 above the current assumption in the MTFS. The updated allocation will be reflected in the Final Budget Report to Cabinet on 20 February 2019.

## **5.0 Business Rates Levy Account**

- 5.1 The Government have identified a surplus in 2018-2019 totalling £180 million in the business rates levy account which will be distributed to all councils based on need. The surplus is due to national growth in business rates, resulting in reduced levels of safety net payments.
- 5.2 The provisional allocation for the City of Wolverhampton Council is £1.2 million and it is anticipated that this will be received as a one-off grant in 2018-2019. It is proposed that this additional funding will be set aside to support the 2019-2020 budget strategy and will be reflected in the Final Budget Report to Cabinet on 20 February 2019.

## **6.0 Other Grants**

- 6.1 The Council's provisional allocation of Top Up Grant for 2019-2020 is in line with the assumptions in the MTF5 at £26.2 million.
- 6.2 In addition to this, the allocation of Improved Better Care Fund Grant for 2019-2020 has been confirmed at £12.9 million in line with the level currently assumed in the MTF5.

## **7.0 Government Consultation**

- 7.1 The Government have released a consultation on the Provisional Settlement with responses to be provided by 10 January 2019.
- 7.2 In addition to this, two further consultations were also launched on 13 December 2018; 'Reform to the Business Rates Retention Scheme' and 'Distributing funding through the Review of Relative Needs and Resources'. The closing date for responses to these consultations is 21 February 2019.

## **8.0 Other Headlines**

- 8.1 In addition to key headlines for the Council, as detailed in the sections above, there were other key areas of interest announced as part of the Provisional Settlement including the following:
- Police and Crime Commissioners will be allowed to increase the police precept to £24.00 in 2019-2020; the previous limit was £12.00.
  - The referendum limit for the Fire precept remains at 3%.
  - The Government will directly eliminate negative Revenue Support Grant totalling £152.9 million in 2019-2020 using foregone business rates.
  - The Government will be publishing a green paper on the future of Social Care soon, however no specific date has been provided.
  - A continuous Improvement Tool will be launched in Spring 2019 to help councils become more efficient. No detail has been provided at this stage.

## **9.0 Evaluation of alternative options**

- 9.1 This report provides Cabinet with the outcome of the 2019-2020 Provisional Local Government Finance Settlement, to consider the impact on the City of Wolverhampton Council and medium term planning.

## **10.0 Reasons for decisions**

- 10.1 Cabinet are asked to note the outcome of the 2019-2020 Provisional Local Government Finance Settlement.

## **11.0 Financial implications**

- 11.1 The financial implications are discussed within the body of the report and will be reflected fully in the Budget Report to Cabinet on 20 February 2019.

[MH/04012019/J]

## 12.0 Legal implications

- 12.1 The Council's revenue budgets make assumptions which must be based on realistic projections about available resources, the costs of pay, inflation and service priorities and the likelihood of achieving any savings proposals.
- 12.2 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.
- 12.3 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when it is making the statutory calculations required to determine its council tax. The Council is required to take this report into account when making its budget decision. The Chief Financial Officer's report must deal with the robustness of the budget estimates and the adequacy of the reserves for which the budget provides. Both are connected with matters of risk and uncertainty. They are inter-dependent and need to be considered together. In particular, decisions on the appropriate level of Reserves should be guided by advice based upon an assessment of all the circumstances considered likely to affect the Council.
- 12.4 The relevant guidance concerning reserves is Local Authority Accounting Panel Bulletin 77, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in November 2008. Whilst the Bulletin does not prescribe an appropriate level of reserves, leaving this to the discretion of individual authorities, it does set out a number of important principles in determining the adequacy of reserves. It emphasises that decisions on the level of reserves must be consistent with the Council's MTFS, and have regard to the level of risk in budget plans, and the Council's financial management arrangements (including strategies to address risk).
- 12.5 In addition, Section 114 of the Local Government Finance Act 1988 requires the Chief Financial Officer to '...make a report ... if it appears to her that the Authority, a committee or officer of the Authority, or a joint committee on which the Authority is represented':
- (a) has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful,
  - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
  - (c) is about to enter an item of account the entry of which is unlawful.
- 12.6 The Chief Financial Officer of a relevant Authority shall make a report under this section if it appears to her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 12.7 These statutory requirements will have to be taken into account when making final recommendations on the budget and council tax requirement for 2019-2020.  
[TS/03012019/Q]

**13.0 Equalities implications**

13.1 There are no equalities implications as a result of this report.

**14.0 Environmental implications**

14.1 There are no environmental implications as a result of this report.

**15.0 Health and Wellbeing Implications**

15.1 There are no health and wellbeing implications as a result of this report.

**16.0 Human resources implications**

16.1 There are no human resources implications as a result of this report.

**17.0 Corporate landlord implications**

17.1 There are no corporate landlord implications as a result of this report.

**18.0 Schedule of background papers**

Cabinet, 17 October 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	<b>Budget 2019-2020 – Outcome of Budget Consultation and Scrutiny Review</b>	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Corporate Leadership Team	8 January 2019
	Strategic Executive Board	11 January 2019
	Children, Young People and Families Scrutiny Panel	14 November 2018
	Health Scrutiny Panel	15 November 2018
	Stronger City Economy Scrutiny Panel	20 November 2018
	Adults and Safer City Scrutiny Panel	27 November 2018
	Confident, Capable Council Scrutiny Panel	28 November 2018
	Vibrant and Sustainable City Scrutiny Panel	6 December 2018
	Scrutiny Board	11 December 2018

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**Recommendation for decision:**

The Cabinet is recommended to:

1. Consider the responses to the 2019-2020 Budget Consultation as detailed in this report.
2. Consider the responses from the Scrutiny Board in relation to the Draft Budget and Medium Term Financial Strategy 2019-2020.

**Recommendation to note:**

The Cabinet is asked to note:

1. That proposals for future budget consultation and budget scrutiny processes will be drawn up and incorporated into a future Budget Strategy Report.



## **1.0 Purpose**

- 1.1 The purpose of this report is to inform Cabinet of the budget consultation, undertaken to support the 2019-2020 budget setting process and Scrutiny Board's feedback on the Medium Term Financial Strategy, allowing for Councillors' consideration of the responses to the consultation and budget scrutiny process.
- 1.2 The completed set of responses to the consultation will be considered in the final budget that Cabinet recommends to Full Council on 6 March 2019.

## **2.0 Background**

- 2.1 The Council continues to be faced with a challenging projected financial position over the medium term, and significant Budget Reduction and Income Generation proposals are required in order to maintain a robust financial position.
- 2.2 The 2018-2019 Budget and Medium Term Financial Strategy (MTFS) 2018-2019 to 2019-2020 was presented to Full Council for approval on 7 March 2018. After updating the MTFS for changes in assumptions and the outcome of the Local Government Finance Settlement, the Council was able to set a balanced budget for 2018-2019 without the use of General Fund reserves; however, the Council was still faced with finding further estimated budget reductions totalling £19.5 million by 2019-2020.
- 2.3 It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction and income generation proposals amounting to £28.3 million over the two-year period from 2018-2019 to 2019-2020. Over the last eight financial years the Council has identified budget reductions in excess of £220.0 million.
- 2.4 In March 2018, Full Council approved that work started immediately to identify £19.5 million of budget reductions and income generation proposals to address the projected deficit in 2019-2020.
- 2.5 When identifying budget reduction and income generation proposals the Council's strategic approach to address the budget deficit continues to be to align resources to the Corporate Plan:
  - a Stronger Economy
  - a Stronger Community
  - a Stronger OrganisationInvestment in the future is essential to both the Council and the City.
- 2.6 In October 2018, Cabinet were presented with an update on the MTFS and budget strategy. At this point it was noted that the Council still has a gap of £6.0 million to find for 2019-2020. Work is ongoing to ensure that a balanced budget can be set.

- 2.7 £695,000 of budget reduction opportunities for 2019-2020 have been identified as Budget Reduction and Income Generation proposals upon which the outcome of formal budget consultation is required.
- 2.8 Cabinet approved that the Budget Reduction and Income Generation proposals amounting to £695,000 in 2019-2020 proceed to the formal consultation.
- 2.9 The budget consultation focussed on the continued theme of working smarter together and the themes that respondents have had the opportunity to comment on are:
- Services that are most important to them;
  - Protecting services from further cuts;
  - Supporting the Budget Reduction and Income Generation proposals;
  - Generating income to help make less cuts to service provision;
  - Proposals to charge a premium to Council Tax on unoccupied properties;
  - Raising Council Tax;
  - Additional flexibility to levy increases to the Adult Social Care precept;
  - Volunteer Scheme;
  - Alternative services and new ways of working;
  - The Council's suggested draft five City priorities.
- 2.10 Within each theme, respondents were asked to provide responses to a number of concepts posed. These are shown in full in the charts attached at Appendix 1.
- 2.11 The Council's budget consultation took place from 19 October 2018 to 31 December 2018 as part of the budget setting process for 2019-2020. All the consultation and analysis are conducted in-house and is a major factor in keeping costs to a minimum.
- 2.12 During the consultation period, there have been stakeholder engagement meetings with local communities, the Business Community and Trade Unions.
- 2.13 Presentations have been carried out at each of these meetings by the Cabinet Member for Resources, Councillor Louise Miles, and the Director of Finance. The Cabinet Member for City Economy, Councillor John Reynolds, participated in the presentation at the Business Community meeting. The public and Council employees' views were also obtained through an online and booklet survey.
- 2.14 In addition to the wider budget consultation meetings, three additional meetings with representatives from the city's Wolverhampton Equalities and Diversity Forum, the city's Youth Council and Trade Union have been held. The meetings were attended by the Cabinet Member for Resources and the Director of Finance. Various questions were posed about Council services.

2.15 During November and December 2018, each Scrutiny Panel was asked to: scrutinise the Draft Budget and Medium Term Strategy 2019-2020, provide comments on the scrutiny budget and consultation process and provide any other relevant comments. Each Panel's comments were then reviewed by the Council's Scrutiny Board on 11 December 2018 for subsequent feedback to Cabinet.

### **3.0 Key Findings – Public and Stakeholder Engagement**

3.1 To gather views, the Council's budget consultation ran for a period of 10 weeks from 19 October 2018 to 31 December 2018 using a range of consultation mechanisms.

3.2 In the following paragraphs, a summary of the participants in the stakeholder and community group meetings, plus details of other groups and interested parties that have provided their views and opinions, are detailed.

3.3 The following stakeholder engagement meetings have been held:

- Four Community meetings;
- One Wolverhampton Equalities and Diversity Forum meeting;
- One Trade Union meeting;
- One Business Community meeting and
- One Youth Council meeting.

3.4 73 members of the public/representatives have attended the stakeholder meetings. The breakdown of attendees is as follows:

- 4 attendees at Bob Jones Centre, Blakenhall;
- 0 attendees at Bilston People's Centre, Bilston;
- 13 attendees at Bantock Tractor Shed, Bradmore;
- 3 attendees at Low Hill Community Centre, Low Hill;
- 25 attendees at Business Breakfast, Black Country Growth Hub;
- 2 attendees at Trade Union meeting;
- 17 attendees at Youth Council meeting and
- 9 attendees at Equality and Diversity Forum meeting.

3.5 The Council have used a range of methods including face to face, online survey and written communications to gather responses during the consultation period. The consultation was publicised via several types of media; the Council website, email distribution, the Facebook page "Wolverhampton Today", and Twitter.

3.6 In total 730 individuals took part in the budget consultation survey.

- 3.7 Details of the consultation findings can be found in Appendix 1.
- 3.8 Appendix 2 shows a heatmap of the City of Wolverhampton with the location of the respondents who provided a postcode when completing the survey. The heatmap is based on 529 of the 730 respondents who provided postcodes. This equates to just over 72% of the total response rate. However, each dot represents a unique postcode rather than a person, so if more than one person at an address completed the survey that would not be represented. The heatmap should be used with caution as 28% (201 of the 730) of respondents are not recorded. However, it does demonstrate that responses have been received from across the City.

#### **4.0 Key Findings – Budget Scrutiny Process**

- 4.1 An extract of the minutes of the Scrutiny Board meeting on 11 December 2018, detailing the resolutions arising from its consideration of individual Scrutiny Panel comments on the Draft Budget and Medium Term Financial Strategy 2019-2020, is shown in Appendix 3.
- 4.2 The reports to Scrutiny Board and individual Scrutiny Panels are listed at section 16 below.

#### **5.0 Future Engagement**

- 5.1 Attendees at the budget consultation events and members of the Scrutiny Board were asked how they wished to be engaged in the future around conversations on the financial strategy and whether they would welcome more general engagement on other council issues and opportunities.
- 5.2 Feedback from events indicated that they welcomed continuous dialogue throughout the year around the financial strategy so to gain a better understanding of the issues and opportunities facing the Council.
- 5.3 Over the next few months proposals will be developed on how dialogue with key stakeholders, members of the public and scrutiny can be developed. Proposals will include linking in with other opportunities to ensure the financial strategy is not viewed in isolation to the other developments across the City.

#### **6.0 Conclusion**

- 6.1 This report summarises the headline findings from the budget consultation run by the City of Wolverhampton Council on its budget proposals for 2019-2020 and feedback from Scrutiny Board. It includes an analysis of qualitative presentations and meetings with key stakeholder and community groups designed to gather views and opinions on the Council's budget. It also includes the outline findings from the survey. Stakeholder engagement meetings were held with Trade Unions, various local public communities and the Business Community.

6.2 The final budget will take into account the completed set of responses to the consultation to be reported to Cabinet on 20 February 2019 before recommending to Full Council on 6 March 2019 to approve.

## **7.0 Evaluation of alternative options**

7.1 This report provides Cabinet with comments from the 2019-2020 Budget Consultation and feedback from Scrutiny Board.

7.2 In the event that the budget strategy, as proposed in the report to Cabinet on 17 October 2018, were not to be implemented in that way due to feedback from the consultation and scrutiny process, alternative options would be required in order to set a balanced budget.

## **8.0 Reasons for decision**

8.1 Cabinet is recommended to consider the responses to the 2019-2020 Budget Consultation and the feedback from Scrutiny Board in order to make informed decisions on the final budget 2019-2020 which is due to be presented to Cabinet on 20 February 2019.

## **9.0 Financial implications**

9.1 The final outcome of budget consultation and feedback from Scrutiny Board will be taken into account in the Cabinet's final budget recommendation to Full Council on 6 March 2019.

9.2 Should any changes be made to the 2019-2020 Draft Budget as a result of the findings of the budget consultation exercise and feedback from Scrutiny Board, which results in an increased net budget requirement, new proposals of an equivalent value will have to be urgently identified to address the projected budget deficit.

[RP/11012019/P]

## **10.0 Legal implications**

10.1 The legal duty for a council's finances falls within S151 of the Local Government Act 1972. Arrangements for the proper administration of their affairs are secured by the S151 Officer (the Director of Finance).

10.2 Section 138 of the Local Government and Public Involvement in Health Act 2007 placed a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function. Failure to meet the requirements in the Public Sector Equality Duty may result in the Council being exposed to costly, time-consuming and reputation-damaging legal challenges.

10.3 A detailed report on consultation feedback from all phases of consultation is, therefore, presented to Cabinet.

[LW/03012019/P]

## **11.0 Equalities implications**

11.1 Under the Equality Act 2010, the Council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the Council identify the particular needs of different groups and reduce the likelihood of discrimination. The nine equality strands covered in the legislation are:

- Age
- Disability
- Gender reassignment
- Marriage and Civil Partnership (this strand only applies to employment and not to service delivery)
- Pregnancy and Maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation

11.2 In relation to determining the overall revenue budget for the Council there is always a difficult balance to be struck in deciding the levels at which to invest, reduce expenditure and raise income set against the often competing needs of different groups within the Wolverhampton community.

11.3 In order to address these complex issues, the Council operates an open and consultative approach to budget and Council Tax determination. Year-on-year and medium term spending forecasts are provided to every household and business ratepayer within the City as part of the documentation which accompanies the Council Tax demand.

11.4 Budget consultation meetings have been held with the business community, the public, representatives from the Equality and Diversity Forum, the Youth Council and trade unions. The Council's budget consultation approach has also included an online survey in order to gain feedback on budget and service priorities.

11.5 In determining the budget and MTFs, considerable focus is placed on the development of budget reduction and income generation proposals. The budget reduction opportunities were classified into proposals upon which the outcome of formal budget consultation is required – Budget Reduction and Income Generation proposals – and

proposals which can be implemented without reliance on the outcome of formal budget consultation – Financial Transactions and Base Budget Revisions. All Budget Reduction and Income Generation proposals will be subject to an equality analysis screening and where necessary a full equality analysis will be conducted.

- 11.6 The Council is facing a particularly challenging short and medium term financial environment in which savings must be generated and a tight control on spending maintained. This means that greater focus than ever is necessary to ensure that core equalities commitments is met.
- 11.7 In summary, the Council's annual budget and medium term financial strategy supports a range of services designed to meet key equalities objectives. The equalities work to support the 2019-2020 budget setting process has been partly to consider a range of proposals relating to financial transactions and base budget revisions and secondly a much smaller range acknowledged as more than revisions to financial transactions and which require more detailed analysis. All proposals have been considered for their equalities implications. The second group of proposals have been the subject of public consultation and following this equalities analysis considering any relevant findings from the consultation.
- 11.8 Councillors should also be aware that under the Equality Act 2010, they must comply with the Public Sector Equality Duty (PSED) when making budget decisions. What this means in practice is that Councillors must consciously think about the three aims of the PSED as part of the decision making process. The three aims are to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation,
  - Advance equality of opportunity by removing or minimising disadvantages, meet differing needs and encouraging participation,
  - Foster good relations between people from different groups.
- 11.9 The Act does not require the Council to treat everyone in the same way; sometimes different treatment is required, for example, be making reasonable adjustments to meet the needs of disabled people.
- 11.10 Consideration of equality issues must influence the decisions reached by public bodies including:
- How they act as employers,
  - How they develop, evaluate and review policy,
  - How they design, deliver and evaluate services,
  - How they commission and procure from others.

11.11 The Brown Principles, established as a result of a legal case concerning Post Office closures in 2008, provide an important checklist that should be considered when making decisions:

- Decision makers must be made aware of their duty to have due regard to the identified goals;
- Due regard must be fulfilled before and at the time that a particular decision is being considered, not afterwards;
- The duty must be exercised in substance, with rigour and with an open mind. It is not a question of ticking boxes;
- The duty cannot be delegated; it must be fulfilled by the organisation in question rather than through the use of an external body;
- The duty is a continuing one; and
- It is good practice to keep an adequate record showing that it has considered the identified needs.

## **12.0 Environmental implications**

12.1 Environmental implications will be addressed on a case by case basis as part of individual proposals.

## **13.0 Human resources implications**

13.1 In line with the Council's statutory duties as an employer under the Trade Union Labour Relations (Consolidation) Act 1992, an HR1 form was issued to the Secretary of State for Business, Innovation and Skills identifying the intention to reduce employee numbers by up to 500 across the Council in the period 1 April 2018 up to 31 March 2019.

13.2 A new HR1 will be issued with effect from the 1 April 2019 up to 31 March 2020 identifying that a further 500 jobs may need to be put at risk of redundancy throughout this period.

13.3 The numbers included in an HR1 include posts held by colleagues who, as part of business review, redesign and/or restructure, need to be included, as they will be placed at risk of redundancy. However, many of these employees can apply and be offered jobs in any new structure or elsewhere in the organisation and therefore the number of employees leaving the authority is always anticipated to be lower than the numbers put at risk and declared on an HR1.

13.4 As detailed in the report, budgetary savings will also be made through efficiencies with new and smarter ways of working and transformation initiatives. Income generation will also be key.



- 13.5 Reductions in employee numbers will be achieved in line with the Council's HR policies. Compulsory redundancies will be mitigated as far as is possible through seeking voluntary redundancies in the first instance, and through access to redeployment.
- 13.6 The Council will ensure that appropriate support is made available to employees who are at risk of and selected for redundancy, and will work with partner and external agencies to provide support. Budget reduction targets to move service delivery from direct Council management to private, community or third sector providers may have implications under the TUPE regulations. If TUPE were to apply, appropriate consultation with relevant Trade Unions and affected employees, would take place.
- 13.7 There is on-going consultation with the trade unions on the impact of the Council's budgetary position and the targets being made to meet the challenges posed by it.

#### **14.0 Corporate landlord implications**

- 14.1 Corporate landlord implications will be addressed on a case by case basis as part of individual proposals.

#### **15.0 Health and Wellbeing Implications**

- 15.1 The health and wellbeing implications will be addressed on a case by case basis as part of individual proposals.

#### **16.0 Schedule of background papers**

- 16.1 Scrutiny Board, 11 December 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Vibrant and Sustainable City Scrutiny Panel, 6 December 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Confident, Capable Council Scrutiny Panel, 28 November 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Adults and Safer City Scrutiny Panel, 27 November 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Stronger City Economy Scrutiny Panel, 20 November 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Health Scrutiny Panel, 15 November 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Children, Young People and Families Scrutiny Panel, 14 November 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Cabinet, 17 October 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Cabinet, 11 July 2018 – [‘Draft Budget and Medium Term Financial Strategy 2019-2020’](#)

Cabinet, 20 February 2018 – [‘2018-2019 Budget and Medium Term Financial Strategy 2018-2019 – 2019-2020’](#)

## **17.0 Appendices**

Appendix 1 – Analysis of Consultation Survey Data

Appendix 2 – Location of Budget Consultation Respondents by Postcode

Appendix 3 – Scrutiny Board minutes of 11 December 2018

## Appendix 1

### 1.0 Considerations around representativeness and reporting of the data

- 1.1 In line with best practice issued by Government (The Government's Consultation Principles July 2016), the consultation particularly focused on involving the range of stakeholders affected by the proposals, as well as enabling the general public to comment through the online survey, social media and public meetings. The findings from the stakeholder meetings and other qualitative correspondence, is by its very nature, indicative only and not necessarily representative of the wider population.
- 1.2 It is recognised that the public, community groups and key stakeholders may not always be aware of the budgetary and technical financial constraints that local authorities operate under. This document does not attempt to unpick this, but simply reports the views of the various consultees in their broadest perspective.
- 1.3 The qualitative findings are a source of information derived from concepts that are included in the budget proposals. These have been drawn from comments from the survey, emails received from members of the public and social media where available. It should be noted that individual views received are not necessarily representative; however, the inclusion of many of these comments forms an important part of the Council's Equality Assessment of the budget proposals – a process that is legally required.

### 2.0 Key Findings

- 2.1 The main themes that respondents had the opportunity to comment on were:
- Services that are most important to them;
  - Protecting services from further cuts;
  - Supporting the Budget Reduction and Income Generation proposals;
  - Generating income to help make less cuts to service provision;
  - Proposals to charge a premium to Council Tax on unoccupied properties;
  - Raising Council Tax;
  - Additional flexibility to levy increases to the Adult Social Care precept;
  - Volunteer Scheme;
  - Alternative services and new ways of working;
  - Council's suggested draft five City priorities.

### 2.2 Services that are most important

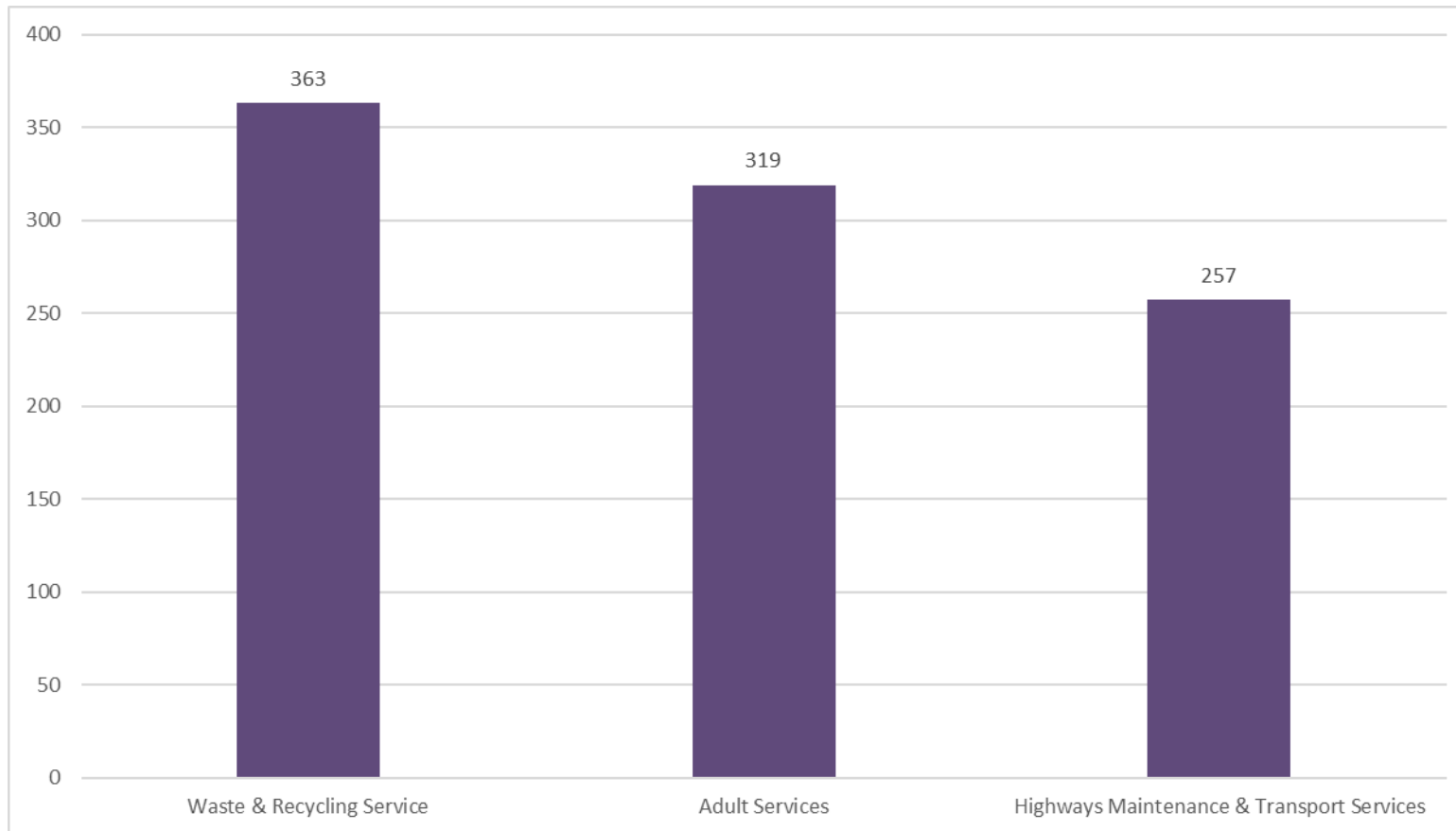
The Council provides many services to the public. Respondents were asked that of the services they were personally aware of, which three are the most important to them and to state if they think the services have improved, stayed

## Appendix 1

the same or got worse in recent years. Their responses are recorded in the following charts:

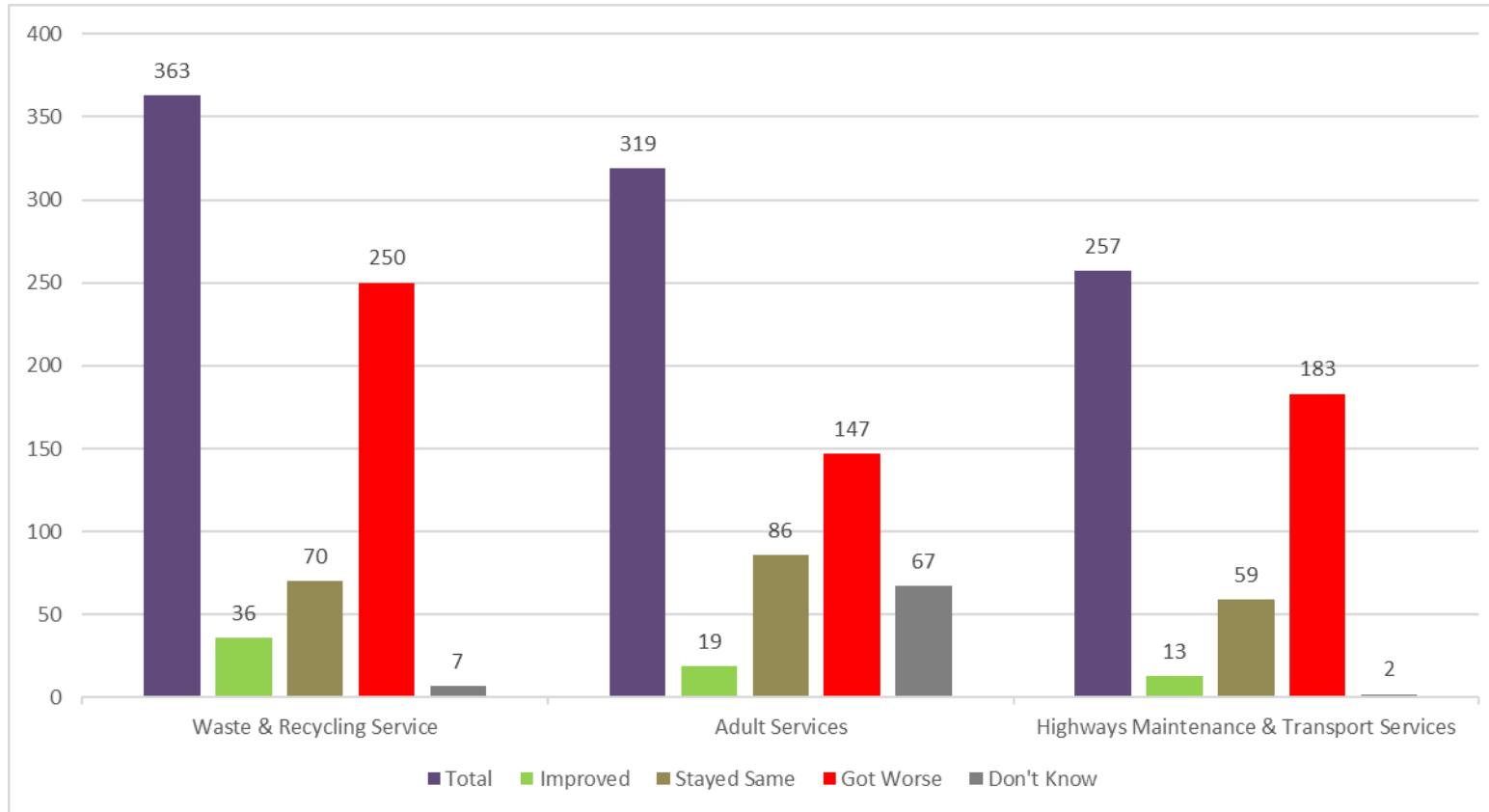
**Chart 1: Top three services most important to respondents (ranked)**

Overall, there were a total of 2,104 responses for this question, commenting on 28 services. Of which, 363 (17%) respondents indicated that Waste and Recycling Services was the most important service, followed by 319 (15%) for Adult Services and 257 (12%) for Highways Maintenance and Transport Services.



**Chart 2: Analysis of the top three services most important to respondents (ranked)**

Of the three Council Services that respondents had selected, they were asked to state whether they thought the service had improved, stayed the same or got worse in recent years.



From Chart 1, 363 of respondents indicated that Waste and Recycling Services was the most important service. Chart 2 above indicates that 36 (10%) stated that the service had improved, 70 (19%) stated that the service had stayed the same, 250 (69%) stated that the service had got worse and 7 (2%) stated they did not know.

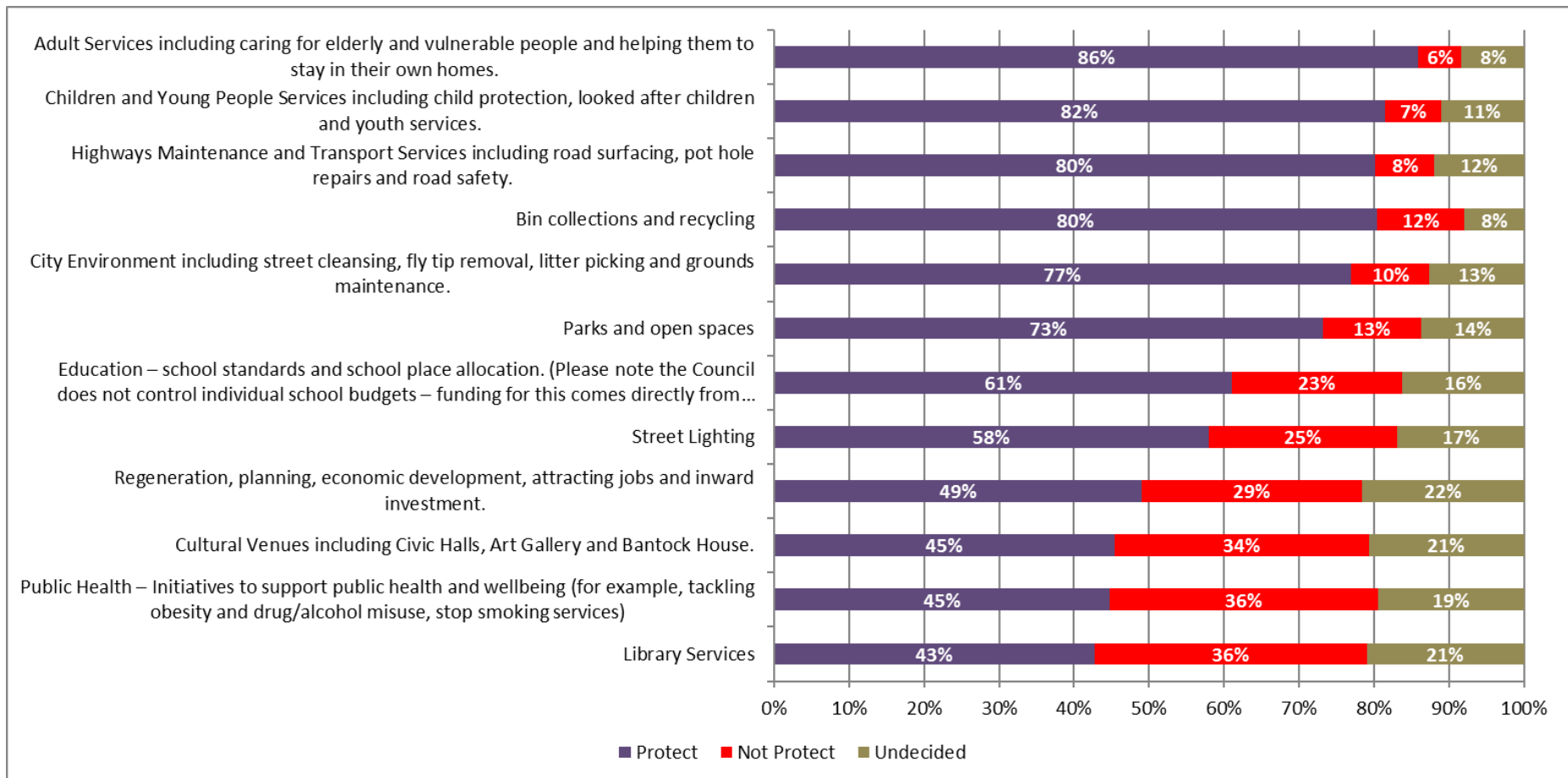
Other important services that did not fall in the top three include Childrens Services, Education including Schools and City Environment, which ranked as the fourth, fifth and sixth most important services to respondents respectively.

Of all responses, respondents felt that Regeneration in the city centre improved the most, whilst Waste and Recycling Services was deemed to be the area that had got worse.

### 2.3 Protecting services from further cuts

The Council has been faced with significantly reduced funding since 2010-2011 and budget cuts have had to be made. Respondents were asked to review a list of services that the Council provides and to choose if they think the services should or should not be protected from further cuts. All 730 respondents responded to this question. Their responses are recorded in the following chart:

**Chart 3: Which services should be protected from future cuts**

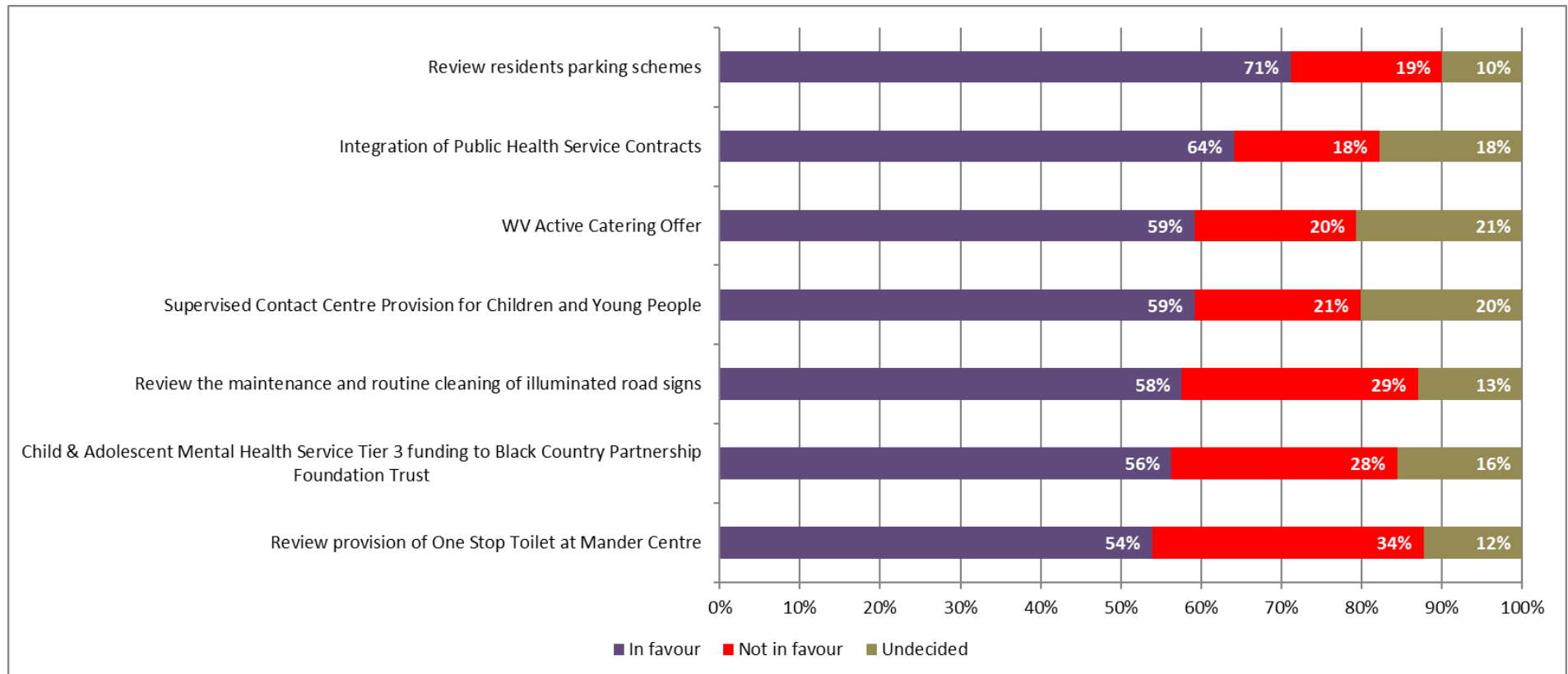




## 2.4 Supporting the Budget Reduction and Income Generation proposals

Respondents were asked to state whether they were in favour, not in favour or were undecided in supporting the Budget Reduction and Income Generation proposals which the Council was consulting on. Of the total number of respondents (730), 700 responded to this question. Their responses are recorded in the following chart:

**Chart 4: Level of support on the proposals consulted on**

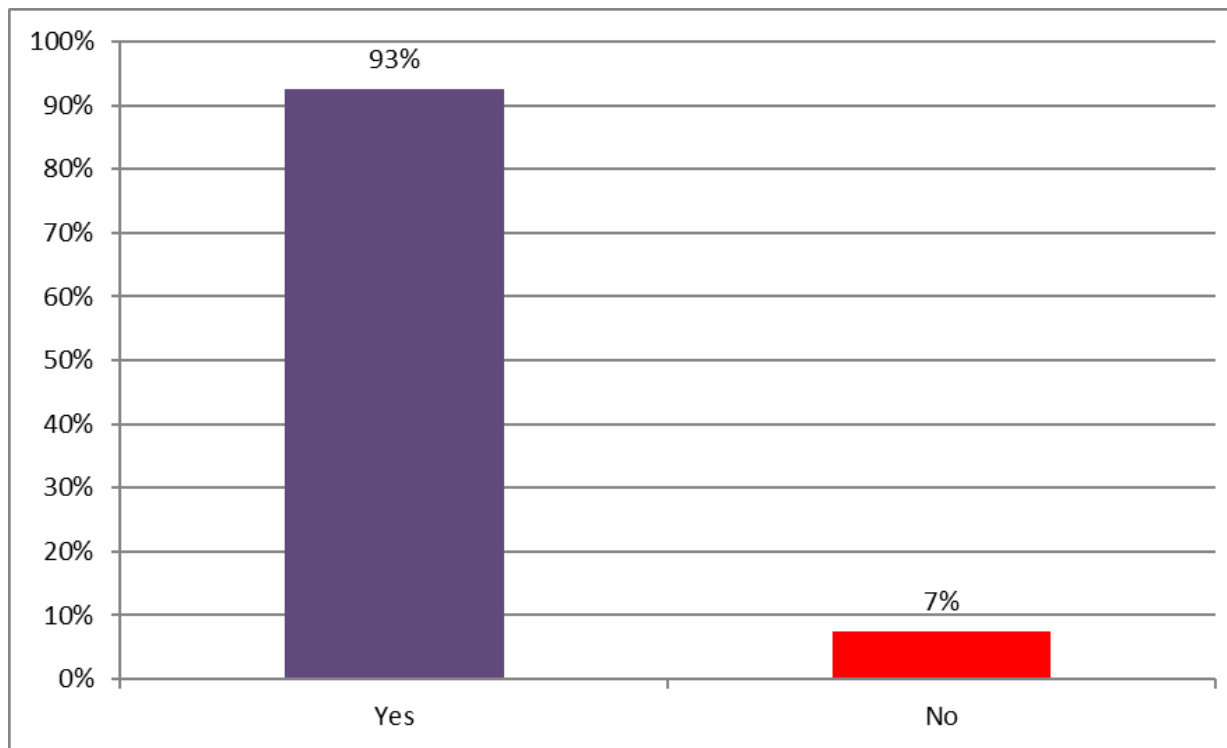


## 2.5 Generating income to help make less cuts to service provision

In recent years the Council has identified ways of generating income in order to reduce cuts in service. An example of this is building new office accommodation in the City centre called the i10 building, which has brought new businesses to the City resulting in job creation as well as generating additional income for the Council through rent and business rates.

Respondents were asked to state whether they would be in favour of the Council exploring new ways of generating income in order to reduce cuts. Of the total number of respondents (730), 700 responded to this question. Their responses are recorded in the following chart:

**Chart 5: Those in favour of exploring new ways of generating income in order to reduce cuts**

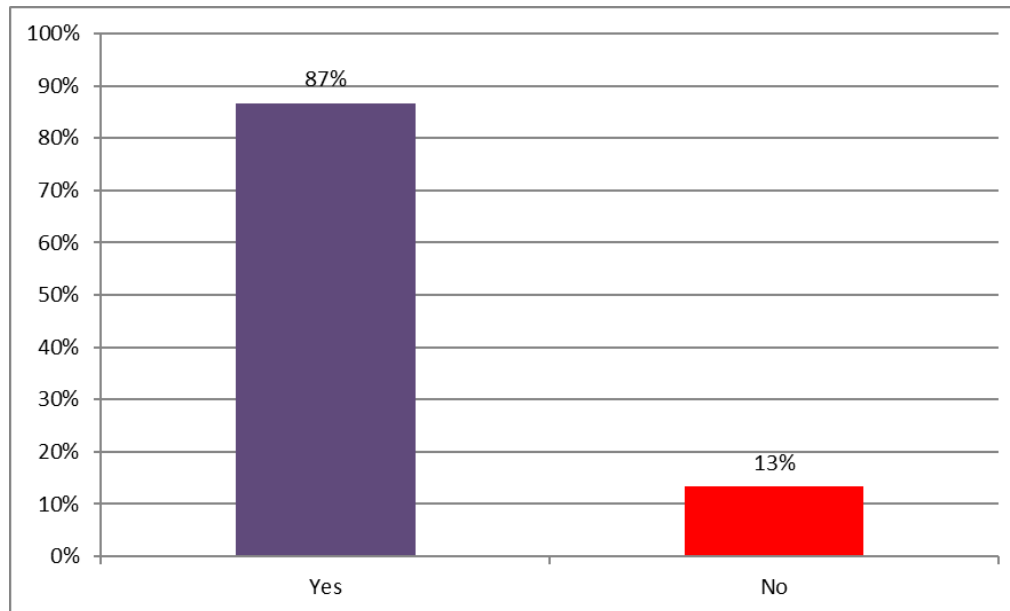


## 2.6 Proposals to charge a premium to Council Tax on unoccupied properties

There is a national shortage of homes. When a property has been empty for 2 years or more, the Council currently add a 50% premium to the council tax. This means that owners have to pay 150% of the council tax charge for an unoccupied property to discourage homes being left empty. A new law is likely to allow councils to charge more from 1 April 2019. This is to encourage owners to sell or rent their properties to ease the national shortage of homes.

Respondents were asked to state whether they agreed with the Council charging the proposed premium to council tax for properties that have been unoccupied for 2 or more years. Of the total number of respondents (730), 700 responded to this question. Their responses are recorded in the following chart:

**Chart 6: Those in favour of charging the proposed premium to council tax for properties that have been unoccupied for 2 or more years**



Premium to be added	Current 2018-2019	Proposed 2019-2020	Proposed 2020-2021	Proposed 2021-2022
Empty up to 2 years	0%	0%	0%	0%
Empty for 2 -5 years	50%	100%	100%	100%
Empty for 5-10 years	50%	100%	200%	200%
Empty 10 years or more	50%	100%	200%	300%

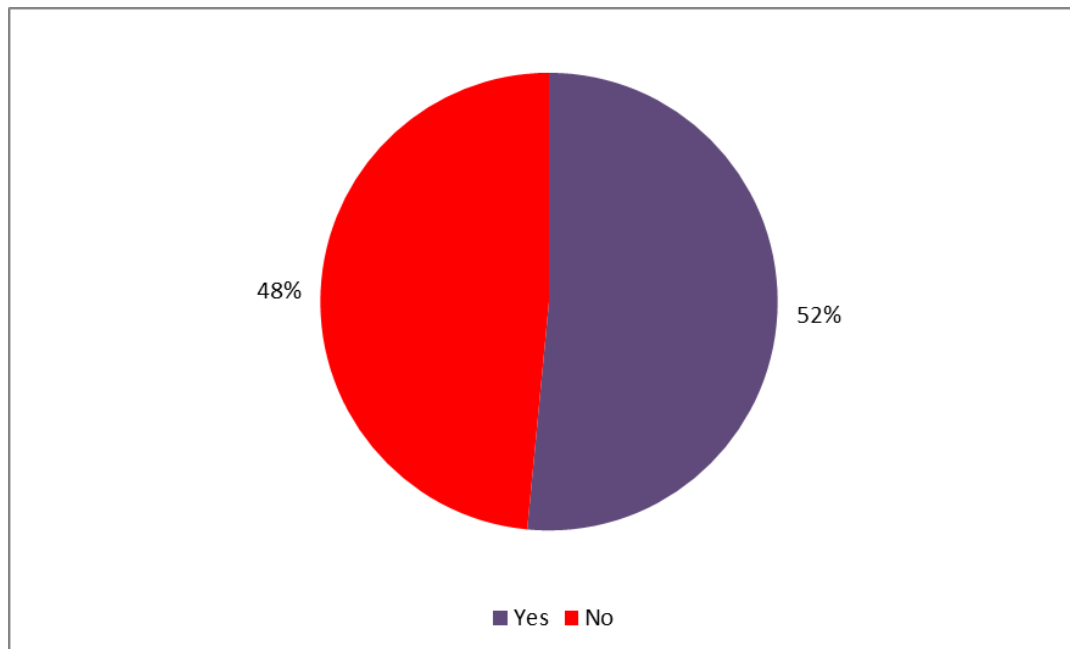
## 2.7 Raising the Council Tax

The Government recently announced a change to the referendum limit on Council Tax increases from 1.99% to 2.99%. The Council is therefore proposing a Council Tax increase of 2.99% for 2019-2020, and in line with Government policy, an additional 2% charge specifically to help fund adult social care.

The proposed total 4.99% increase would be an extra £51.24 per year (99 pence per week) for the majority of properties in Wolverhampton (Valuation Band A) or if a single person discount is applicable for the property the increase for 2019-2020 would be an extra £38.43 per year (74 pence per week).

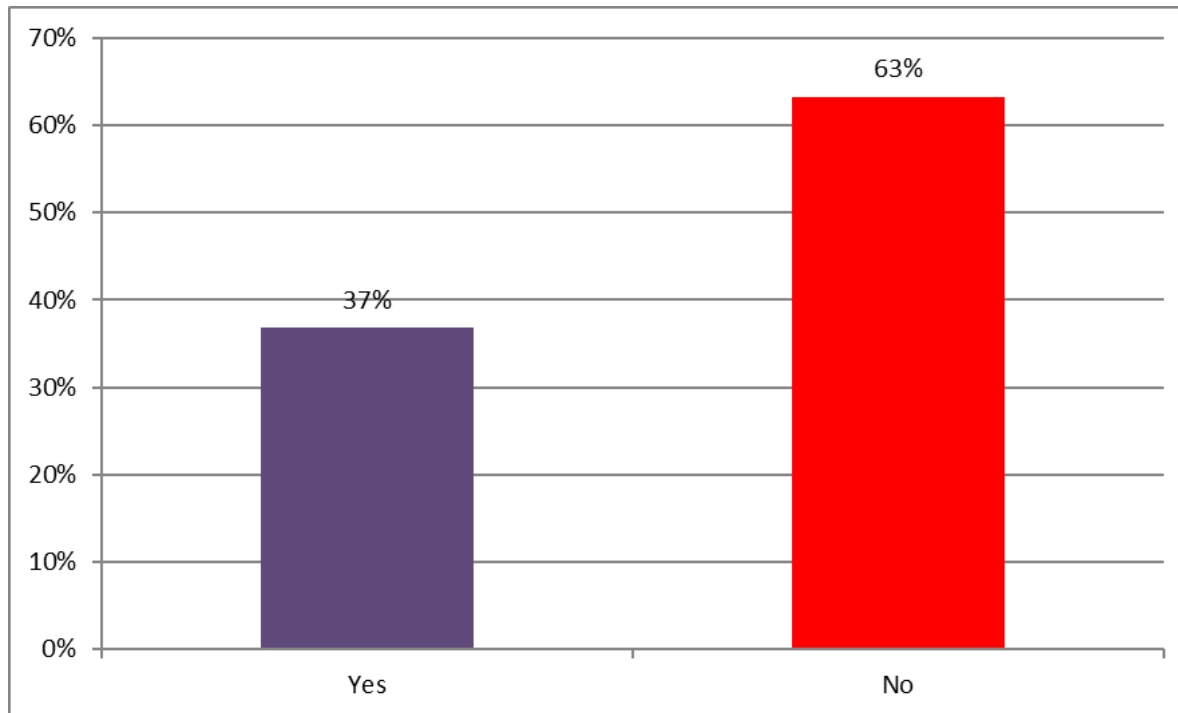
Respondents were asked if they would be prepared to pay the proposed increase to Council Tax of 2.99% (4.99% total increase including the additional 2% charge specifically to help fund adult social care). The funds generated would support the delivery of key services. Of the total number of respondents (730), 658 responded to this question. Their responses are recorded in the following chart:

**Chart 7: Would you be prepared to pay the proposed 2019-2020 increase to Council Tax**



In the event that the Council Tax referendum limit were to be removed, respondents were asked to state whether they would be prepared to pay more Council Tax to reduce the level of cuts to services over and above the 2.99% increase in this or future years. Their responses are recorded in the following chart:

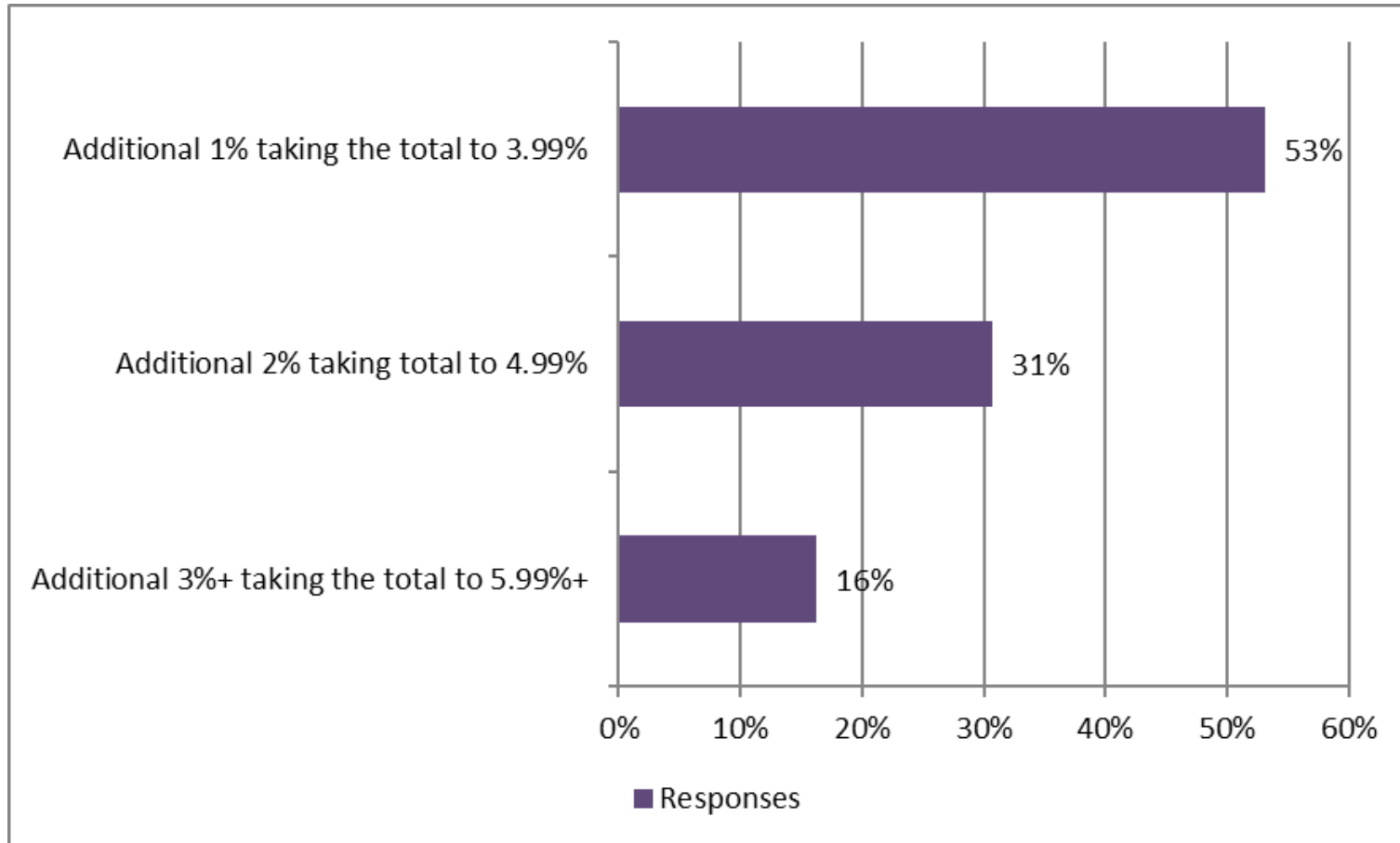
**Chart 8: Would you be prepared to pay more Council Tax to protect key services from further cuts?**



242 of 658 respondents (37%) who answered this question stated that they would be willing to pay more than the proposed 2.99% increase in Council Tax to protect key services from further cuts. 416 respondents (63%) stated that they would not be willing to pay more Council Tax.

Of the 242 respondents from Chart 8 who said that they would be prepared to pay more Council Tax, the following chart analyses how much more they would be prepared to pay.

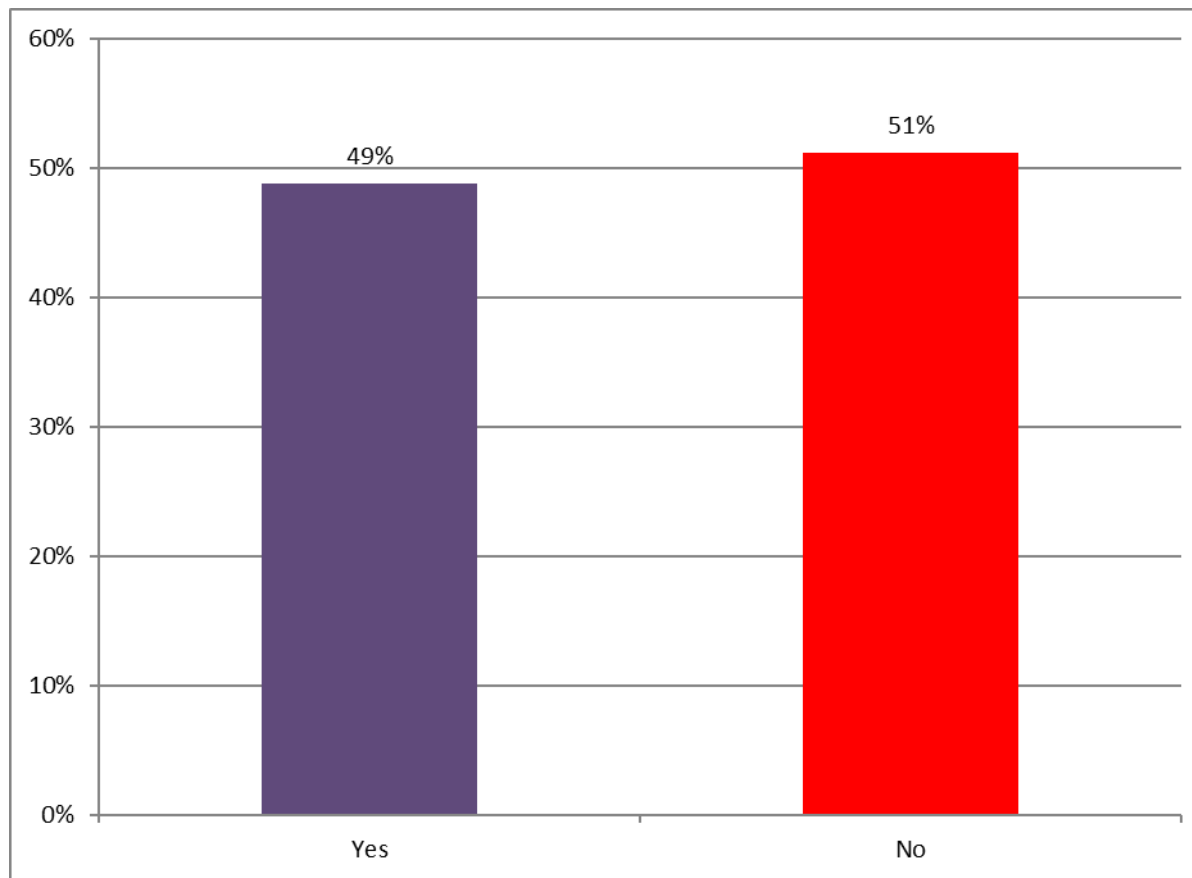
**Chart 9: If yes, how much more:**



## 2.8 Additional flexibility to levy increases to the Adult Social Care precept

Respondents were asked whether they were in favour of increasing charges to support adult social care expenditure if the Government were to provide councils with the additional flexibility to levy increases to the Adult Social Care precept. Of the total number of respondents (730), 658 responded to this question. Their responses are recorded in the following chart:

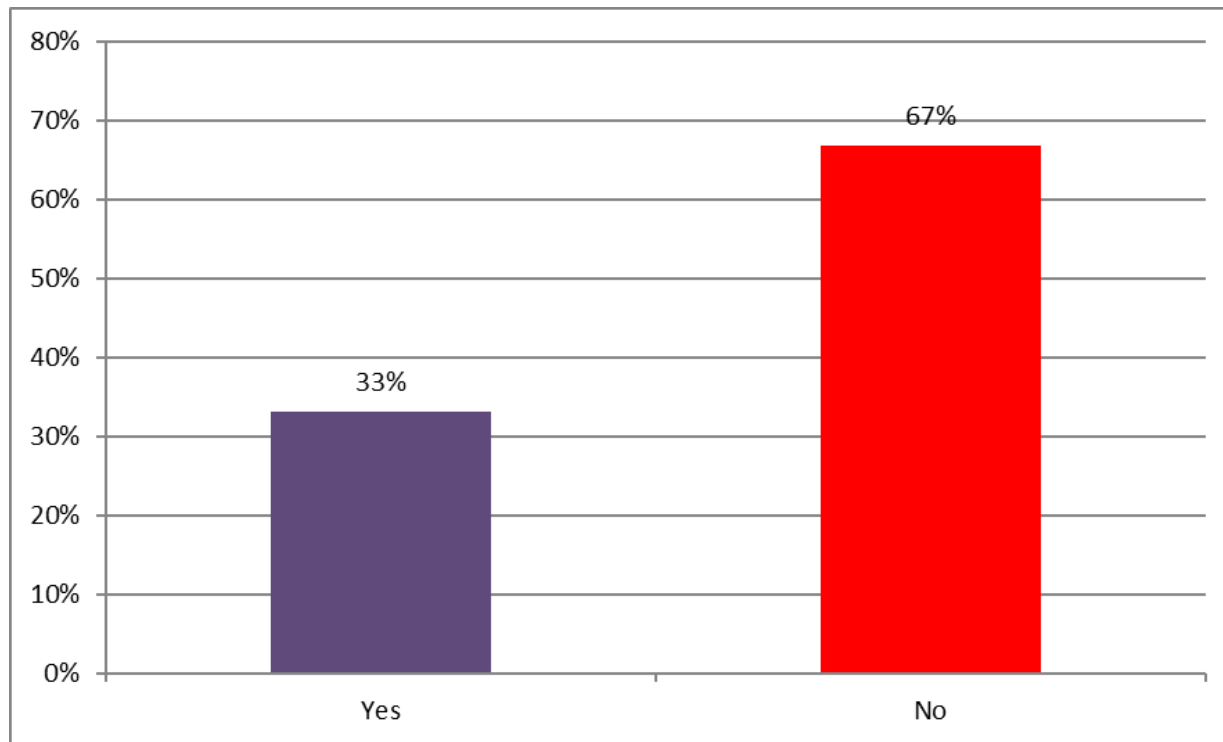
**Chart 10: Would you be in favour of increasing charges to support adult social care expenditure?**



## 2.9 Volunteer Scheme

As part of working smarter together, voluntary sector partners are working with the Council to review its existing Volunteers Scheme to ensure that volunteers are supported and benefit from their time with the Council. Respondents were asked whether they would be willing to volunteer to support an existing service or new service. Of the total number of respondents (730), 700 responded to this question. Their responses are recorded in the following chart:

**Chart 11: Respondents willing to volunteer to support an existing service or new service**



Some of the services the respondents would be willing to volunteer in are:

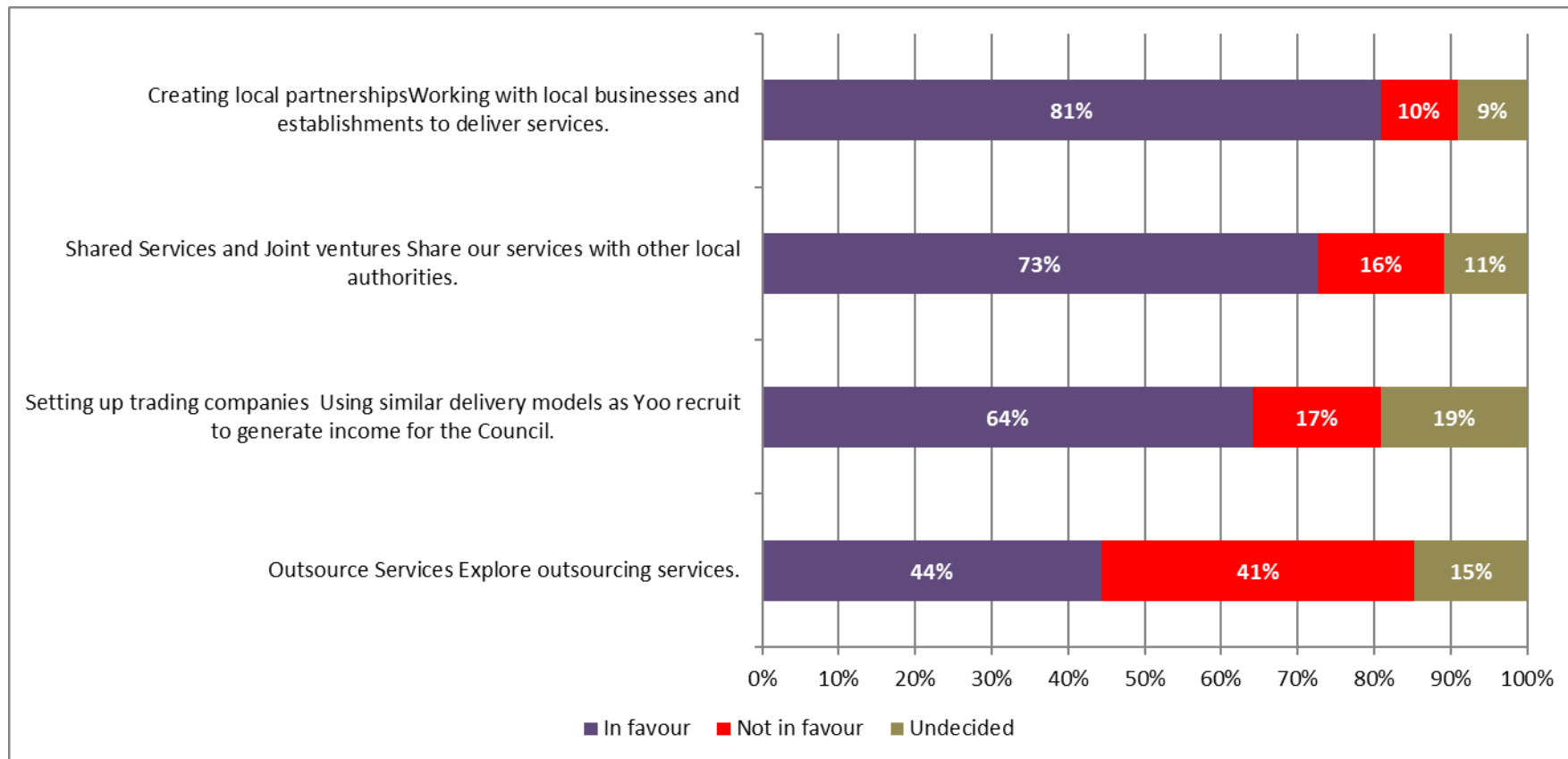
- Adult Services
- Education
- Library Services
- Parks and Recreation
- Street Cleaning
- Social Care



## 2.10 Alternative services and new ways of working

Respondents were asked whether they were in favour for the Council to engage in alternative services and new ways of working to meet budget challenges. Of the total number of respondents (730), 658 responded to this question. Their responses are recorded in the following chart:

**Chart 12: To meet budget challenges, would you like the Council to engage in alternative services and new ways of working, such as:**

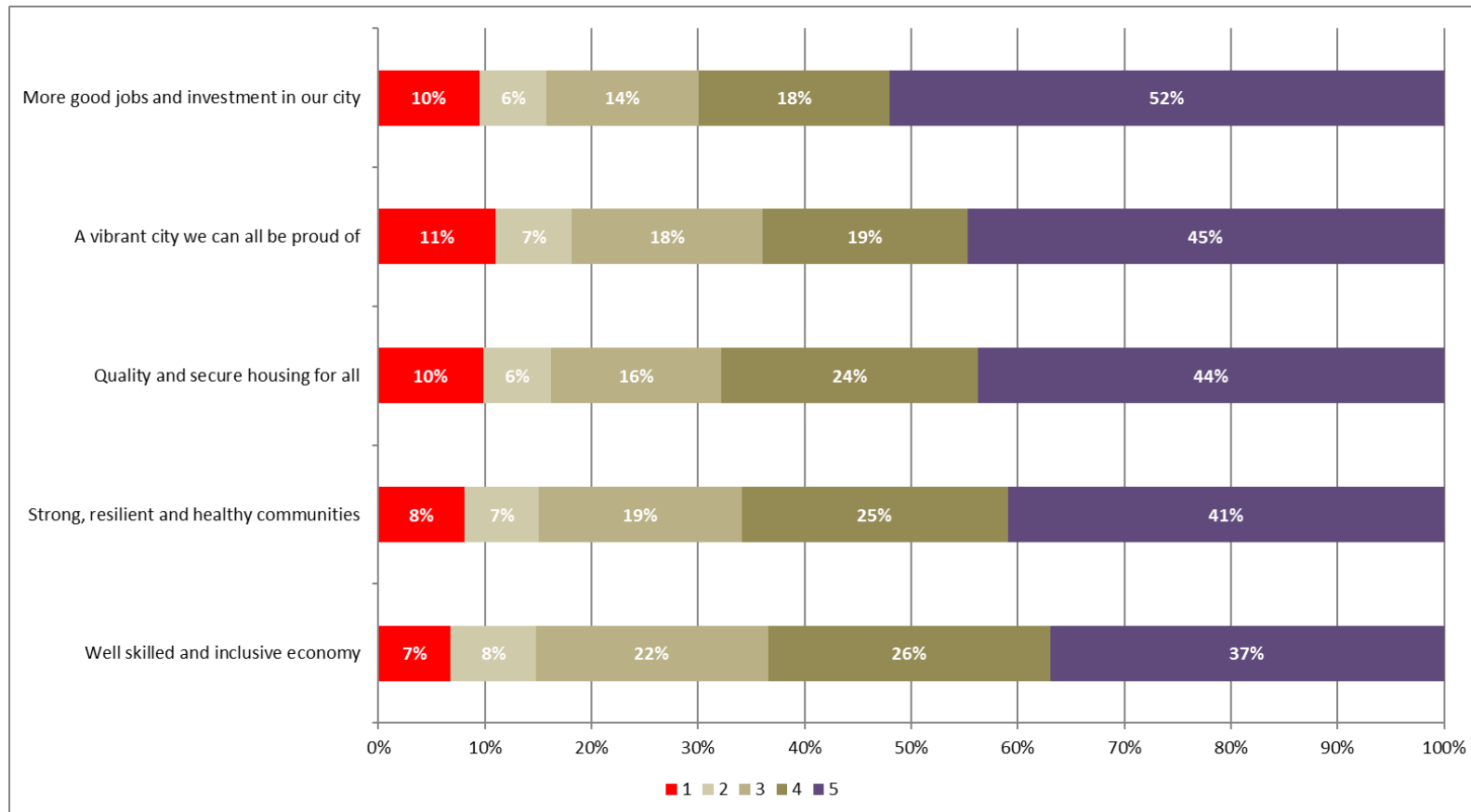


### 2.11 Council's suggested draft 5 draft City priorities

Subject to extensive consultation the Council has suggested five city priorities to enable Wulfrunians to live longer, healthier and more fulfilling lives.

Respondents were asked to score each of the five draft priorities between 1 (being not at all a priority) to 5 (being definitely a priority). Of the total number of respondents (730), 658 responded to this question. Their responses are recorded in the following chart:

**Chart 13: Draft priorities and their importance (ranked)**



### 3.0 Feedback from the Wolverhampton Equalities and Diversity Forum Meeting

Representatives from the City's Wolverhampton Equalities and Diversity Forum were invited to attend a meeting on 23 October 2018 to have their say in the consultation. At this meeting, City of Wolverhampton Council Councillors and Officers presented the Council's 2019-2020 budget plans and discussed a number of themes arising as a result.

#### 3.1 Amongst the themes discussed were:

##### Consultation and Engagement

- The group welcomed more regular engagement, either quarterly or six monthly updates. They also asked for an update on the outcome of the Budget Reduction proposals out for consultation.

##### Priorities

- Members of this group mentioned that the following council services are important to them and should be protected:
  - Adult Social Care – particularly for the Elderly. Residential and Nursing homes do not always cater for the needs of deaf people and they are often lonely and isolated because no one can sign BSL.
  - Mental health – address issue of mental health amongst older and younger deaf and non-deaf people.
  - Social work – have a specialist deaf/non-deaf Social Worker who is qualified in signing BSL so can communicate with the deaf community.

##### General comments

- A question was raised about whether Bradmore Centre would be affected by future budget reduction proposals as if it was, then the group would consider making a financial contribution if the centre was at risk of closure.
- Concerns were raised about British Sign Language (BSL) interpreters and how they experienced problems when they visited the Civic Centre and Wolverhampton Homes as they were not always available even when appointments had been made in advance.
- The Group also raised concerns around the lack of availability of BSL when visiting doctors and hospitals.

#### 4.0 Feedback from Business Consultation

Local business representatives/champions were invited to attend an event at the Black Country Growth Hub on 30 October 2018. At this event, City of Wolverhampton Council Councillors and Officers presented the Council's 2019-2020 budget plans and discussed a number of themes arising as a result.

#### 4.1 Amongst the themes discussed were:

##### Consultation and Engagement

- Businesses noted that they wanted to be more involved with the Council and to help with the Council's issues/concerns. It was noted that businesses found the interaction with the Council very useful and that they felt connected and part of something, this is something they would be happy to share with their business neighbours and would be happy and good quality advocates of the work we have done with them to-date.
- They also noted that there should be focus groups where a small number of businesses are consulted with Council on issues/concerns or even City issues and that the businesses could help the Council to find solutions. Smaller focus groups could look at a number of areas at the same time.

##### General Comments

- The Growth Hub requires a higher profile, and together with the AIM Programme, will help businesses of different sizes, to connect and communicate with each other and build local relationships. Better collaboration can put local businesses in touch with each other, using this city brand to promote the City internally and also importantly externally, helping to promote the profile Wolverhampton and making it a 'go to' place. Using the City brand will bring pride to the residents, empowerment for business and economic growth for all. All this will help raise the profile of the City thus being more attractive to businesses looking to relocate to the City of Wolverhampton and encourage existing companies to stay here and invest, again growing the economy.
- Discussions were held around the local education system, from schools to University. Attendees felt that students should be encouraged to work in local businesses. Important to link with the education system to ensure that the skills required from students, so they can gain employment.

## 5.0 Feedback from the Youth Council Meeting

Members of the Youth Council were invited to attend a meeting on 26 November 2018 to have their say in the consultation. At this meeting, City of Wolverhampton Council's Cabinet Portfolio Holder and Director of Finance presented the Council's 2019-2020 budget plans and there were discussions around a number of themes.

### 5.1 Amongst the themes discussed were:

#### Consultation and Engagement

- Discussions were held around how young people would like to be engaged in the future. Attendees felt that whilst the Youth Council was a great forum it didn't represent everyone, and that better engagement could be achieved by going directly into schools.

#### Education

- Education was primarily identified as the main priority for the Youth Council and the City. A discussion took place about education funding and how this impacted on teachers and extra training.

#### Mental Health

- Discussions were held around mental health support in schools. Attendees felt that more emphasis was needed on earlier intervention, especially around exam times. Attendees also felt that teachers needed more training and greater awareness when dealing with depression and anxiety.

#### Library Service

- A high number of participants would not like to see libraries closed as they enjoyed going to the library. A focus on libraries is required as it was recognised that libraries do not bring in a lot of income.

#### Crime

- A discussion took place about knife crime and how it could be tackled by working actively with partners, including the Police.

### **City Environment**

- Reference was made around how the waste service impacted the citizens of Wolverhampton where they have faced reductions in service but pay more. However, it was felt that more recycling options are required in towns.
- Discussions around transport and how good public transport was essential to enable for young people to travel around the City. Attendees also felt that good highways and street lighting were important.

### **Wolverhampton**

- Considerable support was given for the City's Regeneration projects. It was felt that such projects would encourage young people to stay in Wolverhampton and would also bring other young people into Wolverhampton. More work needed to be done in establishing the identity of Wolverhampton as a city for young people

## 6.0 Feedback from the four Public Meeting Consultations

Members of the public were invited to attend four public meetings held around the City of Wolverhampton in October and November 2018 to have their say in the consultation. At these meetings, City of Wolverhampton Council Councillors and Officers presented the Council's 2019-2020 budget plans and discussed a number of themes arising as a result.

### 6.1 Amongst the themes discussed were:

#### Funding

- A discussion took place about how funding has been reduced and that this is primarily due to Government policy.

#### Consultation and Engagement

- Discussions took place about how attendees would like to be engaged / consulted on the budget in the future.
- Attendees said they would prefer ongoing conversations with the council throughout the year.
- Earlier consultation was also welcomed. Concerns were raised that it was felt the decisions had already been made.
- Attendees also welcomed more opportunity to talk about general council policy
- A mixed response was received when members of the public were asked if they would attend a meeting in the Civic Centre
- Comments were made that the previous LNPs helped foster local community engagement
- Discussions were held on how consultation events could be publicised and that a wide range of communication channels should be used.
- Attendees recognised that people have different issues / concerns and communications will need to reflect this.
- A comment was made that more direct dialogue with staff that deliver the service would be welcomed, not just with Directors and Councillors, for example, Headteachers.
- Discussions were held around providing a wider context, explain how the council is funded, what services are provided.

#### Priorities

- Attendees were asked what their priorities were. The general consensus was around:
  - Maintaining roads;
  - Fly tipping and waste collection
  - Adults and Childrens social care services
  - Street lighting

- Education
- Emergency services

### **Regeneration, Highways and Transport**

- Concerns were posed about how the Council was able to spend money on the Civic Centre and Civic Halls when funding has been reduced. A discussion took place about how essential repairs are required to buildings where they needed restoring.
- Further to this, the Council was asked where the money comes from to fund these projects and the debt it takes on.
- Comments were raised about whether the Westside development is still going ahead.
- Questions were raised about how the bus lane enforcement fines that is collected is spent. It was acknowledged that it is ringfenced to highways improvement.
- It was felt that the Council was not using a superior material for pot holes. It was acknowledged that sometimes due to quick repair to make the road safe and without closing roads. However, the Council is trialling new technology to do quick repairs that lasts longer
- Information was sought on why the metro is being extended to the train station rather than the city centre.
- Comments were made about how free parking in the city centre is no longer available and this is an issue.
- Comments were also made about how shops are closing in the City Centre

### **Waste and Recycling Services**

- Comments were made about how unhappy people were with the Waste Collection service and how it could lead to more fly tipping.
- A discussion took place about not being able to take household rubbish to the tip in vans. People would like to see the tip open all week and being more flexible in allowing access to vans for household rubbish.
- Discussions were held around the fortnightly collections and the charge in relation to the collection of green waste.
- Enquiries were raised about whether the Super-Tip is still going ahead

### **Events**

- Questions were raised about whether the spend on the darts and the Christmas markets events are necessary. To work better, more partnership working is required. For example, where there are cuts in Pride of Wolverhampton, can neighbours look after their neighbourhood, and community initiatives.



### **Council Tax**

- Comments were made about having to pay more council tax but getting less for the money.
- Further to this, comments were also made about how happy they would be with reduction in waste collection if council tax had not gone up.
- Discussion took place on how much the Council collects in Council Tax.

### **Children's Services**

- A comment was raised about whether families of children who go into care lose their benefits.
- A question was raised around the Budget Reduction proposal for Child and Adolescent Mental Health Service Tier 3 to Black Country Partnership Foundation Trust. Discussions were held around the need to support parents when it came to mental health, so they are better prepared to support their children.

### **General Comments**

- Concerns were raised about the biggest areas and types of spend. It was acknowledged that Adults and Children Social Care, staffing and contracted spend were the main areas of spend.
- Attendees asked what other councils were doing to bridge the funding gap
- It was suggested that to raise additional income, the council could enter into traded services. However, there were concerns that government could cut grants more.
- Concerns were raised over the how cost-effective some services were, in particular those delivered by external contractors and the quality of the service provided.

## **7.0 Feedback from the Trade Union Consultation**

The City of Wolverhampton Council Councillors and Officers presented the Council's 2018-2019 budget plans to the Joint Consultative Panel on 17 December 2018 and discussed a number of themes.

### **7.1 Amongst the themes discussed were:**

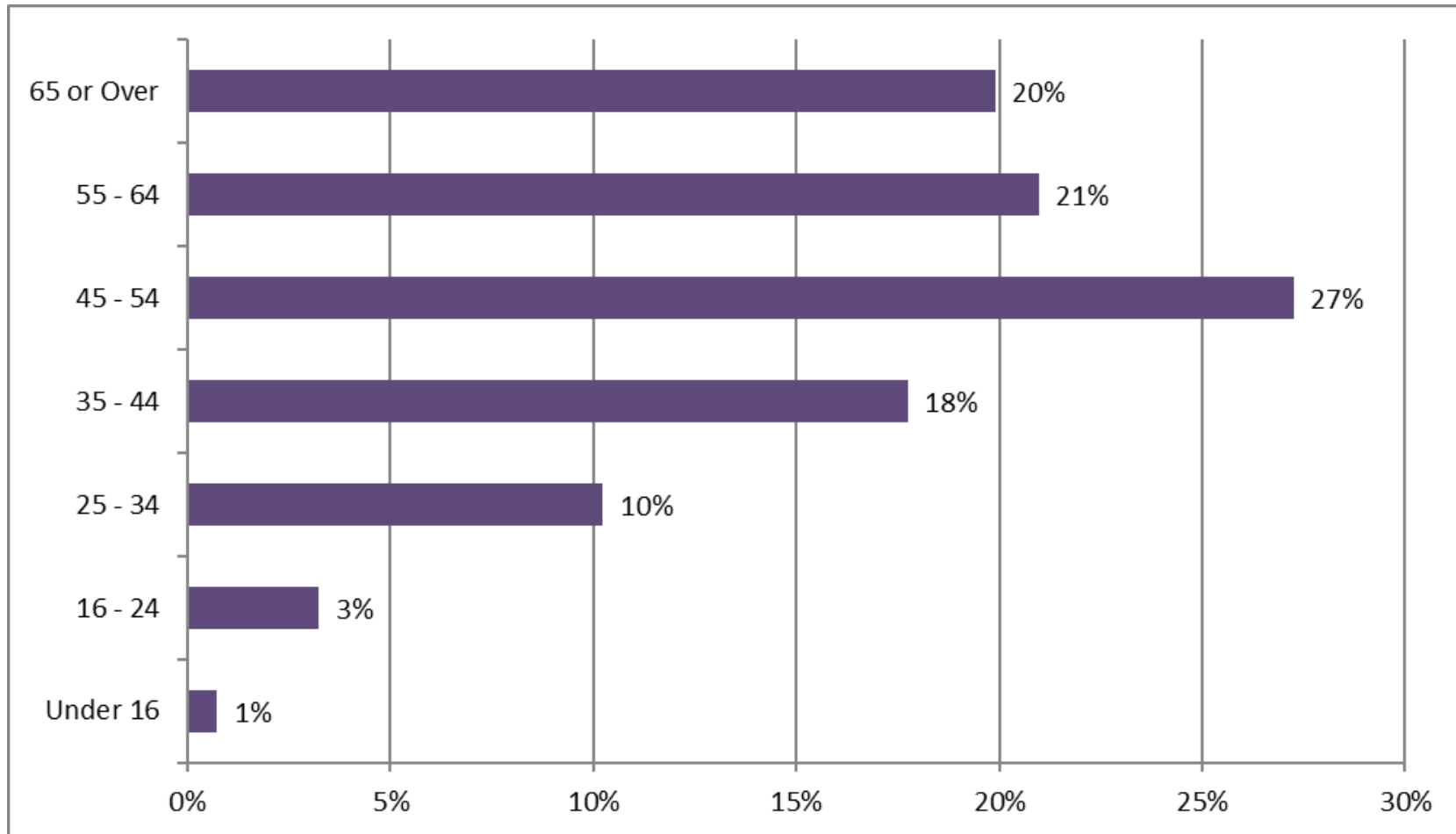
- Concerns around social care and how we can shape the delivery of services when the majority of provision is delivered by the private sector.
- Concerns were also raised that the cost pressures on social care services delivered by the private sector was having an impact on other services provided by the council.
- Councils need to work together to lobby government of issues affecting local government.
- Need to be more commercial, look at what services the private sector provides and see if we can enter these markets and generate income.
- Concerns on how much work is involved in monitoring external contracts, particularly around social care, and whether it would be more cost effective overall to deliver the services in-house and provide more flexibility in changing service delivery.
- Need better communication with the public, people only become aware of services delivered by the council when they have concerns. Be more proactive in promoting what services the council delivers.
- Also, be clearer with communications, in particular when explaining the difference between how services and projects are funded (capital and revenue).

## **8.0 Feedback from other correspondence**

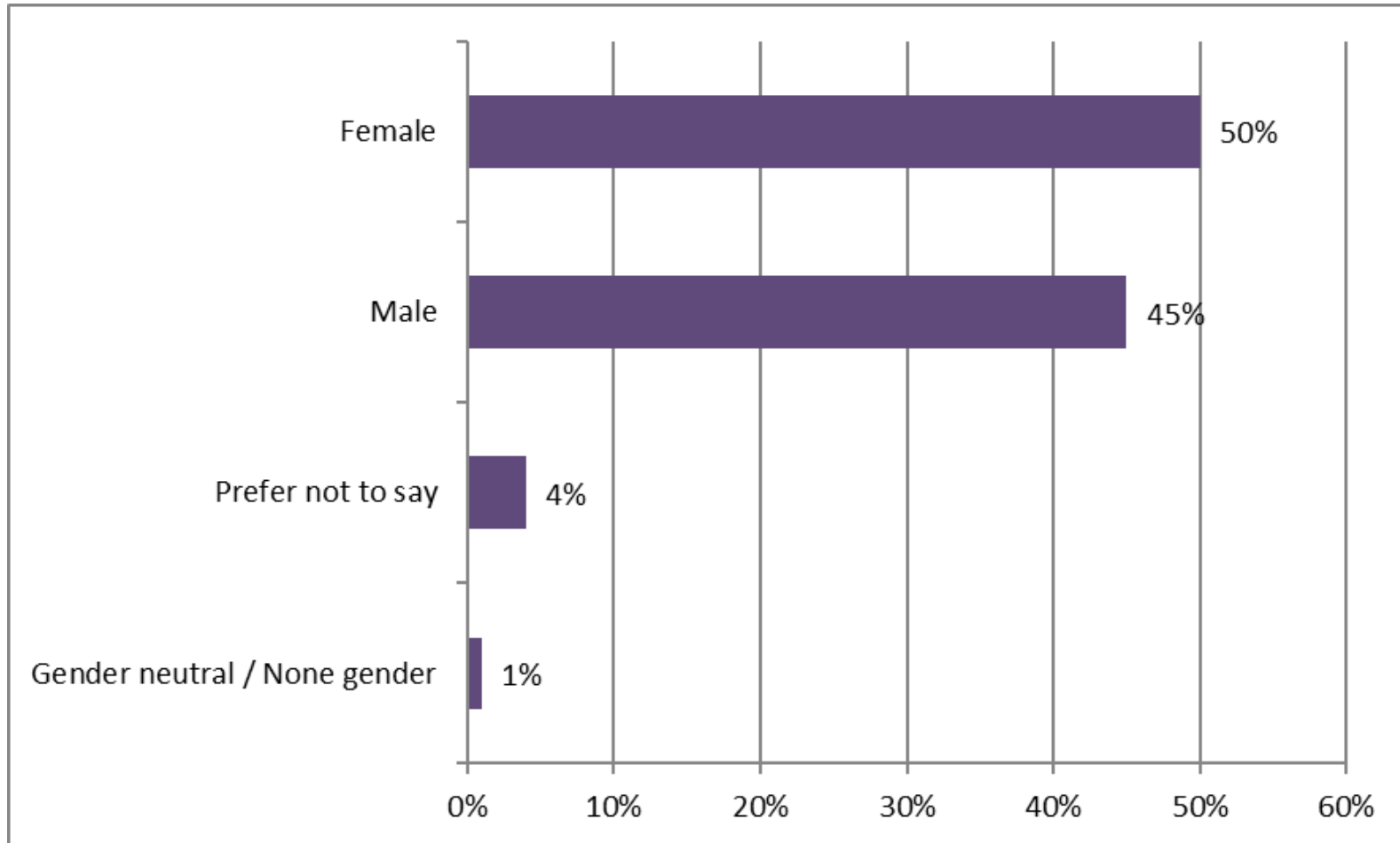
### **8.1 A number of comments were received via email, which included:**

- A concern was raised around the Budget Reduction proposal for Child and Adolescent Mental Health Service Tier 3 to Black Country Partnership Foundation Trust and whether it could result in a reduction to Tier 3 provision within the City.
- Clarity was asked around general Council budgets and services.
- A comment was made about having to pay more council tax but with a decrease in public services.
- A comment was made about parking and the number of empty buildings in the city centre.

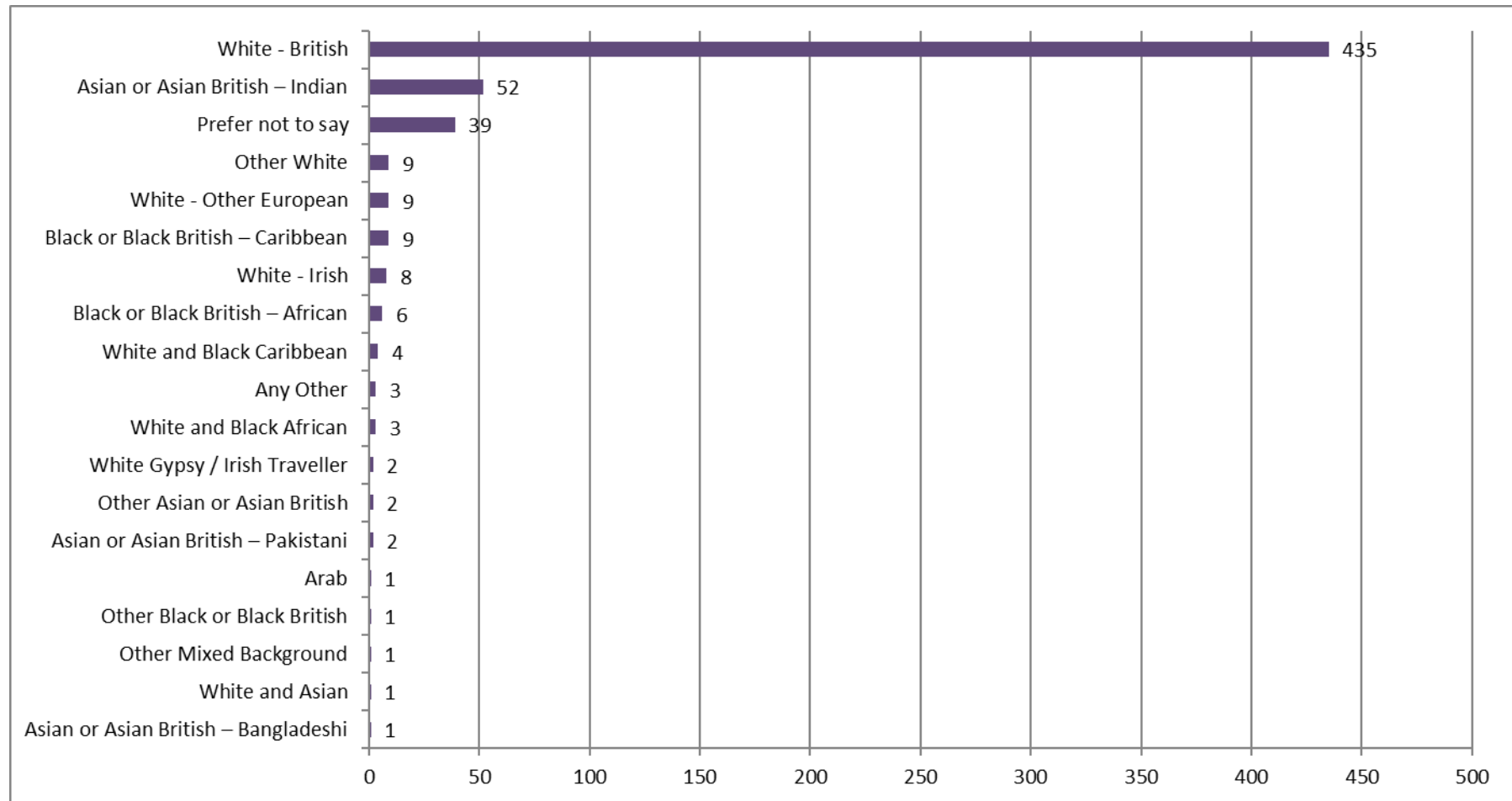
9.0 Respondents Age Group (Of the total number of respondents (730), 558 responded to this question).



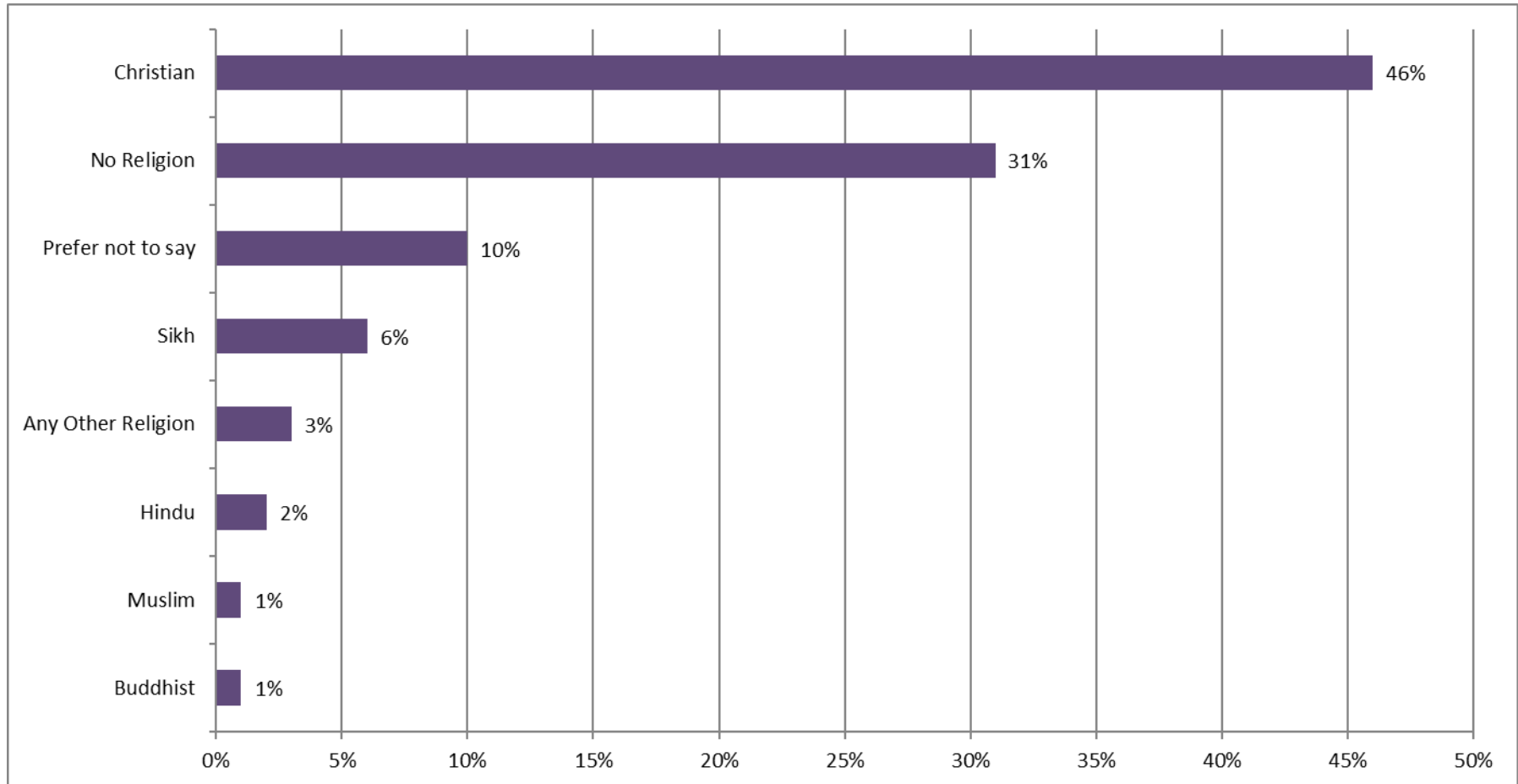
9.1 Respondents Gender (Of the total number of respondents (730), 592 responded to this question).



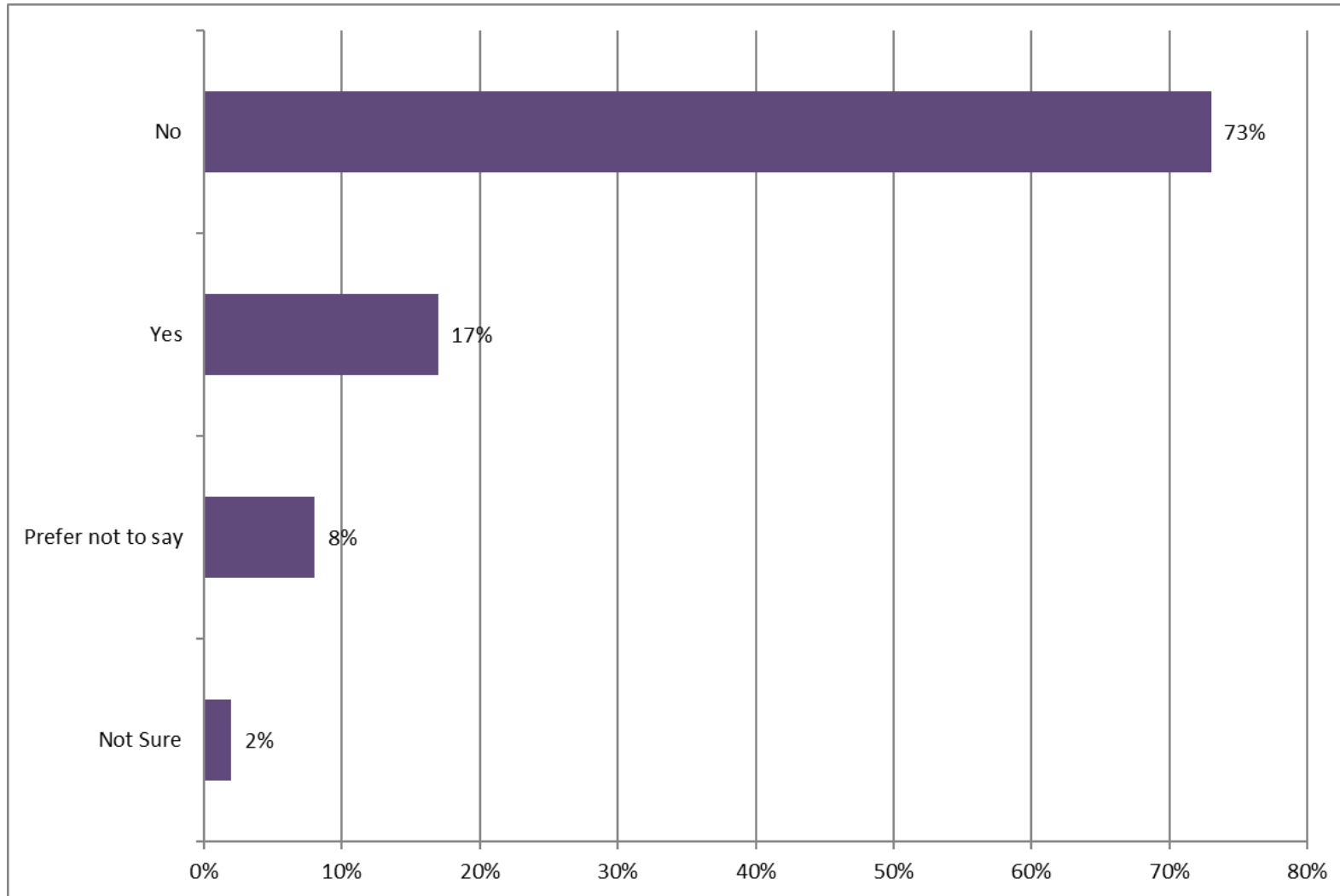
9.2 Respondents Ethnic Origin (Of the total number of respondents (730), 588 responded to this question).



9.3 Respondents Religion (Of the total number of respondents (730), 583 responded to this question).



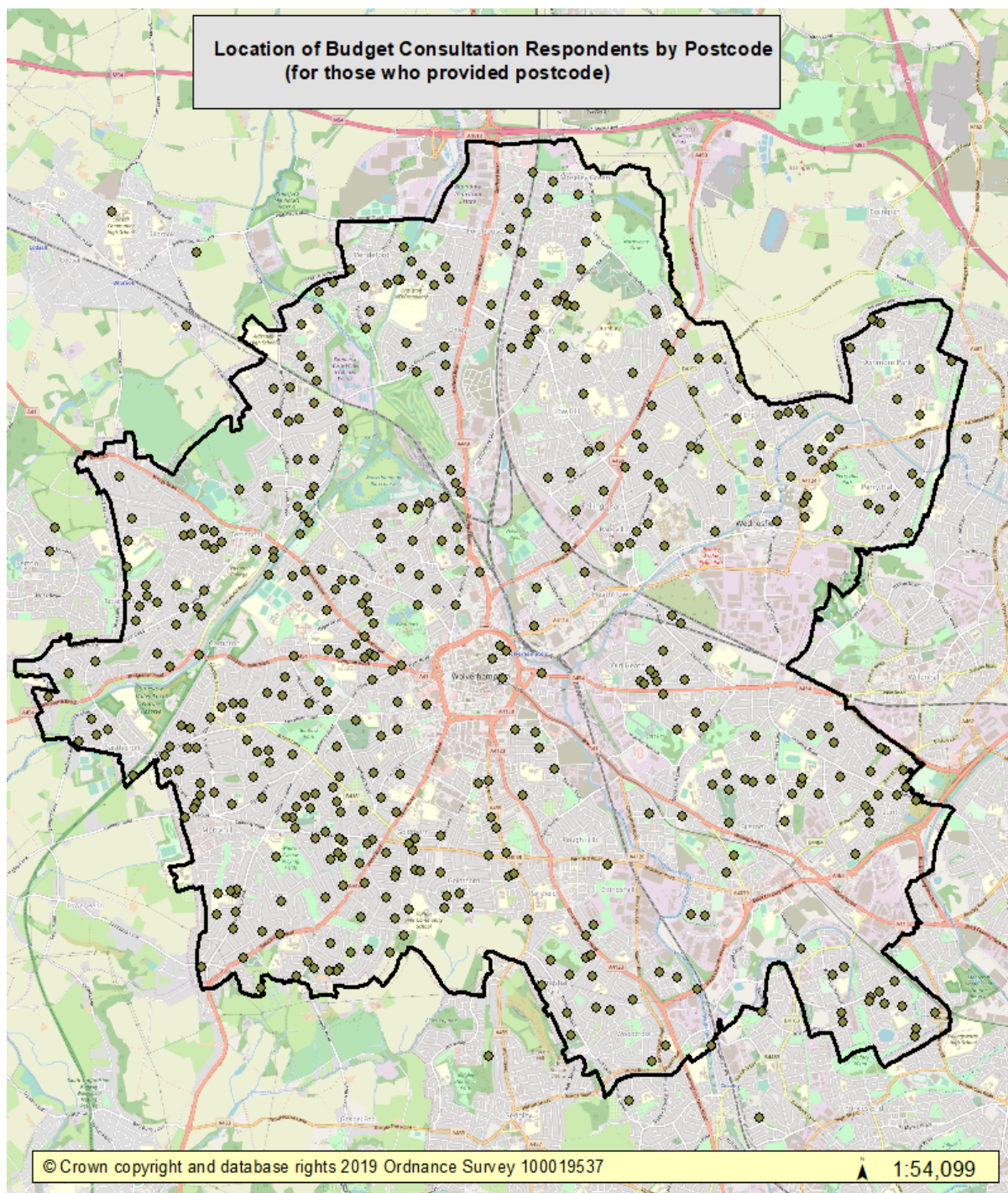
**9.4 Do you have a disability which affects your day to day activities, which has lasted, or you expect to last, at least a year? (Of the total number of respondents (730), 588 responded to this question).**



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Location of Budget Consultation Respondents by Postcode



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## 5 Draft Budget and Medium Term Financial Strategy 2019-2020

The Panel welcomed the Director of Finance Claire Nye and the Cabinet Member for Resources, Cllr Louise Miles to the meeting.

It was noted that the budget scrutiny feedback from the scrutiny panels was included in the supplementary agenda pack. All of the panels had been given the opportunity to review the outcomes of the consultation process and the draft budget proposals and the final recommendations from scrutiny would be fed back to Cabinet in

January 2019. All panels and the Board had also been requested to feedback on the process that the budget consultation took and the way in which scrutiny was engaged.

Some members considered that the report would have been easier to scrutinise if each separate report had focused on the items specific to that scrutiny panel as it was considered that some descriptions in the report were brief and councillors had to drill down into the report to get to the salient information. It was considered that having some additional, contextual detail in the report might have been beneficial.

The Cabinet Member stated that consultation had not just been with the panels but also the public and specific groups who had also requested more context in the report, so this would be taken on board for the future.

The Chair of the Confident, Capable Council Scrutiny Panel agreed that it had been easier to deal with the budget in her previous role as Chair of the Adults and Safer City Scrutiny Panel as this had looked at one specific section of the budget. To make sense of the whole budget required much clearer guidelines as it seemed that there was very little that they could recommend without endangering the whole process.

The Cabinet Member stated that she wanted to see earlier engagement in the budget setting process in the future which would hopefully enable councillors to put it in more context.

It was stated that the process appeared opaque, the budget and various reports were seen in lots of different places in lots of different contexts but that it was still not clear to members of the public what the Council was actually doing and it was thought that the Council and councillors could be more helpful in aiding this understanding. It was agreed that scrutiny did need to have an earlier input into the budget setting process.

The Cabinet Member agreed that she would take on board recommendations regarding having specific papers for specific scrutiny panels and that she was currently investigating how prescriptive budget consultation rules were in order to open up the process in the future.

The Chair of the Scrutiny Board stated that the presentation of the budget had been clearer this year than any other year, but that scrutiny did need to be involved in the process earlier.

The Board queried what the timetable was for budget setting as it was too late at this stage to make any meaningful recommendations.

The Cabinet Member agreed and stated that she was looking at bringing the whole process sooner starting straight away in the municipal year and holding an ongoing dialogue with scrutiny throughout the process.

An example was put forward regarding the WV Active Bert Williams Café and the need to look at opening times and the fact that there had been no consultation with ward councillors. It was agreed that consultation with ward councillors was vital before any cuts or changes were made to local services as they were best placed to identify alternative courses of action.

Resolved: 1) That all of the comments from Scrutiny Board and the Panels be fed back to Cabinet.

2) That scrutiny be involved in the budget setting process at a much earlier stage than was presently the case.

3) That there be much greater consultation with ward councillors before any decisions are taken in their wards.

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	Council Tax Base and Business Rates (NDR) Net Rate Yield 2019-2020	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Corporate Leadership Team	8 January 2019
	Strategic Executive Board	11 January 2019

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### Recommendations for decision:

The Cabinet is recommended to:

1. Set the Collection Fund Council Tax Base for 2019-2020 at 63,996.44 Band D equivalents.
2. Set the Collection Fund Business Rates, also referred to as Non-Domestic (NDR), Net Rate Yield for 2019-2020 at £74.4 million.
3. Delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve amendments to:
  - a. The final Business Rates net rate yield as required as a result of changes to the NNDR1 form (National Non-Domestic Rates return) by the Ministry of Housing, Communities and Local Government or data revisions and changes in projections;
  - b. The Council Tax Base as a result of any data revisions and changes in projections.

## **1.0 Purpose**

- 1.1 To set the estimates for the Wolverhampton Collection Fund for 2019-2020, which the Council manages on behalf of local precepting bodies and central government.

## **2.0 Background**

- 2.1 The Local Government Finance Act 2012 made a number of significant changes to the operation of local government finance. The two most important in relation to this report were:
- a. The abolition of Council Tax Benefit (in the Welfare Reform Act 2011) and its replacement by the requirement to establish a local Council Tax discount scheme in the Local Government Finance Act 2012.
  - b. The localisation of the Business Rates, also referred to as Non-Domestic Rates (NDR), such that a proportion of the change from a baseline set at the beginning of the year will be borne by the administering local authority. This means that local authorities can both benefit from, and are exposed to, variation in local business rates.
- 2.2 The Council must set a Council Tax Base before the end of January which will be used to set the Council Tax Requirement for the following financial year. It represents the total number of Band D equivalent council tax payers from whom the Council will collect council tax in the year ahead. The total tax collected is shared in agreed proportions with the West Midlands Police and Crime Commissioner and the West Midlands Fire Service.
- 2.3 The Council must also set a Business Rates baseline net rate yield which is used to estimate the amount that the authority will keep as its local share of business rates and pay over to the West Midlands Fire Service. It represents the total estimated liability for business rates, net of discounts and reliefs, in the Council's area for the year ahead.
- 2.4 The setting of the Council Tax Base and the Business Rates baseline net rate yield both impact directly on the Council's General Fund budget and Medium Term Financial Strategy (MTFS).
- 2.5 The Council Tax Base for 2019-2020 must be determined by 31 January 2019 and notified to the precepting bodies on or before that date, so that they can use the information in setting their precepts for 2019-2020. This will determine cashflows between the Collection Fund and precepting bodies during 2019-2020.
- 2.6 The Business Rates baseline net rate yield must be determined by 31 January 2019 and notified to the Ministry of Housing, Communities and Local Government (MHCLG) on their NNDR1 form. This will determine cashflows between the Collection Fund and the Council and the West Midlands Fire Service during 2019-2020.

- 2.7 In October 2016, Cabinet approved that the Council, as one of the Constituent Members of the West Midlands Combined Authority (WMCA), participates in a business rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will: retain 99% of business rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes. The Council will continue to be part of the business rates retention pilot in 2019-2020.
- 2.8 The NNDR1 form was issued by the MHCLG on 17 December 2018. Work has been ongoing to forecast the business rates net yield for 2019-2020, however approval is sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2019.

### 3.0 Council Tax Base Estimate

- 3.1 The method used to calculate the Council Tax Base for 2019-2020 is set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012.
- 3.2 The calculation starts with the base figures from December 2018 and then adjusts these for known and projected growth.
- 3.3 The total Tax Base, expressed in terms of the number of Band D equivalents, has then been multiplied by a net collection rate of 97.24%.

**Table 1 – Council Tax Base 2019-2020**

	Number of Band D Equivalents
December 2018 baseline	76,798.13
Council Tax Reduction Scheme	(11,769.29)
New build and growth to March 2019	784.00
Total taxbase before collectability adjustment	65,812.85
<b>Final taxbase including collectability adjustment</b>	<b>63,996.44</b>

- 3.4 The council tax base is expressed as Band D equivalents, however within Wolverhampton the average property falls within Band A.

#### 4.0 Business Rates Yield Estimates

- 4.1 The method used to calculate the Business Rates net rate yield for 2019-2020 is set out in the NNDR1 form issued by central government and associated guidance.
- 4.2 It specifies that an authority starts with the base figures from the October 2018 Valuation Office Agency (VOA) list, then adjusts them for known and projected growth in the base, reliefs and losses from appeals which are currently in hand.

**Table 2 – Business Rates Net Rate Yield Estimate 2019-2020**

	£000
Baseline	95,165
Transitional Arrangements (net cost for CWC)	(293)
Transitional Arrangements (payable from CLG)	293
Mandatory reliefs	(14,357)
Unoccupied property	(2,822)
Discretionary reliefs	(739)
Losses on collection	(1,236)
Appeals	(1,200)
Disregarded Amounts in respect of Designated Areas	(86)
Cost of collection	(331)
<b>Net rate yield</b>	<b>74,394</b>

- 4.3 As stated in paragraph 2.7 above, Cabinet approved that the City of Wolverhampton Council, as one of the Constituent Members of the WMCA, is participating in a 100% business rates retention pilot from April 2017, on a no financial detriment basis. As a result of entering into this pilot, the Council will: retain 99% of business rates, no longer receive Revenue Support Grant and receive a Top Up Grant adjustment to account for the net effect of the changes.
- 4.4 The NNDR1 form was issued by the Ministry for Housing, Communities and Local Government on 17 December 2018. Work has been ongoing to forecast the business rates net yield for 2019-2020, however approval is sought to delegate authority to the Cabinet Member for Resources in consultation with and the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2019.
- 4.5 There is some complexity in identifying the true business rates growth between years due to business rates appeals and the 2017 revaluation, however an approach to allocate the growth in the central share for 2017-2018 and 2018-2019 has been agreed with the WMCA. The assumed growth of £4.5 million attributable to the WMCA in 2018-2019, in line with the Investment Plan assumptions, has been apportioned for each authority pro rata to the aggregate Rateable Value at the start of the year, resulting in a contribution from Wolverhampton in the region of £342,000 [In 2017-2018 the contribution was £228,000].



## **5.0 Evaluation of alternative options**

- 5.1 The council tax base and the net business rates yield have been prepared in accordance with relevant legislation.

## **6.0 Reasons for decisions**

- 6.1 To comply with legislative requirements, Cabinet are recommended to approve the Council Tax Base and Net Business Rates Yield for 2019-2020. This will inform the budget setting process for 2019-2020, for the Council and precepting bodies.
- 6.2 Approval is also sought to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to approve any final changes to the final Business Rates net rate yield as required as a result of changes to the NNDR1 form and the council tax base reflecting any further information received ahead of the statutory deadline of 31 January 2019.

## **7.0 Financial implications**

- 7.1 The recommended Tax Base, based on 2018-2019 levels, would provide the Council with council tax income, including adult social care precept, of £98.6 million. The MTFS assumes a council tax increase of 2.99% and a 2% adult social care precept for 2019-2020; at the recommended tax base the total council tax income would be in the region of £103.5 million.
- 7.2 Of the £74.4 million net rate yielded by business rates forecast to be collected in 2019-2020 the Council would retain £73.7 million under the 99% business rate retention scheme pilot. However, an element of the real terms growth in the central share of business rates will be passported to the West Midlands Combined Authority. Work is ongoing to determine this contribution for 2019-2020. An update will be provided in the Final Budget Report to Cabinet on 20 February 2019.
- 7.3 The NNDR1 form was issued by the Ministry for Housing, Communities and Local Government on 17 December 2018. Work has been ongoing to forecast the business rates net yield for 2019-2020, however approval is sought to delegate authority to the Cabinet Member for Resources in consultation with the Director of Finance to resolve any changes without further recourse to Cabinet approval prior to the deadline for submission of 31 January 2019; this figure is therefore preliminary and subject to change. The final position will be reported in the Final Budget Report to Cabinet on 20 February 2019.  
[MH/04012019/H]

## **8.0 Legal implications**

- 8.1 The relevant legislation is contained in the body of the report and the recommendations will ensure that the Council complies with the relevant legislation [TS/03012019/T]

## **9.0 Equalities implications**

- 9.1 There are no direct equalities implications arising from this report. A cumulative equality analysis will be included in the final draft budget report that will be presented to Cabinet in February 2019 and Council in March 2019, to ensure that Councillors can pay due regard to the equalities impact of budget decisions.

## **10.0 Environmental implications**

- 10.1 There are no direct environmental implications arising from this report.

## **11.0 Human resources implications**

- 11.1 There are no direct human resources implications arising from this report.

## **12.0 Corporate landlord implications**

- 12.1 There are no direct corporate landlord implications arising from this report.

## **13.0 Health and wellbeing implications**

- 13.1 There are no direct health and wellbeing implications arising from this report.

## **14.0 Schedule of background papers**

Council, 7 March 2018 – [‘Council Tax Formal Resolutions’](#)

<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	Collection Fund Estimated Outturn 2018-2019	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	alison.shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Corporate Leadership Team	8 January 2019
	Strategic Executive Board	11 January 2019

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### Recommendations for decision:

The Cabinet is recommended to:

1. Approve the payments to the precepting authorities of their share of the Council Tax surplus in equal instalments.

The estimated outturn in 2018-2019 is a cumulative surplus of approximately £1.2 million. Based on their proportion of the 2018-2019 council tax bill, as approved by Council in March 2018 the amounts are as follows:

- City of Wolverhampton Council £1.0 million
- West Midlands Police £86,000
- West Midlands Fire Service £40,000

2. Approve the apportionment of the payments from the precepting authority of their share of the Business Rates deficit, also referred to as Non-Domestic Rates, deficit in equal instalments.

The estimated outturn in 2018-2019 is a cumulative deficit of approximately £1.1 million; this is as a result of a cumulative surplus totalling £619,000 brought forward from 2017-2018 and an estimated deficit in 2018-2019 totalling approximately £1.7 million. As prescribed by legislation the amounts are as follows:

- City of Wolverhampton Council £1.1 million deficit
- West Midlands Fire Service £11,000 deficit

3. Delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31 January 2019.

## **1.0 Purpose**

- 1.1 The purpose of this report is to inform Cabinet of the estimated outturn for Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), transactions on the Collection Fund in 2018-2019.

## **2.0 Background**

- 2.1 Council Tax billing authorities are required to maintain a Collection Fund in accordance with Sections 89 and 90 of the Local Government Finance Act 1988. The operation of the Collection Fund is prescribed in detail by a series of specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992. Broadly, the Collection Fund's income comes from receipts of Council Tax and Business Rates, also referred to as Non-Domestic Rates (NDR), collected from taxpayers and any amounts transferred in (e.g. in respect of previous years' deficits). Expenses met from the Fund consist of adjustments to individuals' and companies' tax liabilities (refunds etc.), the billing authority's own budget demand, write offs, precepts and previous years' surpluses transferable out.
- 2.2 Each billing authority must make an estimate of the surplus or deficit for the Council Tax and Business Rates transactions of the Collection Fund for the current financial year. Such estimated surpluses or deficits do not remain in the Collection Fund but are shared between the billing authority, precepting authorities and central government (where applicable) in the year following the financial year to which they relate. Precepting authorities should be notified of their share of any surplus or deficit within seven working days of the estimate being made.
- 2.3 The surplus or deficit is then transferred in instalments in the financial year following the year for which the surplus or deficit has been estimated. In the case of billing authorities, the amounts are transferable in accordance with the schedule of instalments adopted for the payment of precepts and demands. Transfers to or from precepting authorities must take place in no more than ten equal instalments in the following year. The first and final instalments are to be paid by 31 May 2019 and 31 March 2020 respectively with an equal number of working days between instalments.
- 2.4 All Collection Fund surpluses or deficits for Council Tax transactions are to be ignored for the purpose of calculating the billing or precepting authority's budget requirement. They are, however, to be taken into account in calculating a billing authority's basic Council Tax or a joint authority's precept.
- 2.5 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.

### 3.0 Council Tax Estimated Outturn 2018-2019

3.1 The estimate on the Collection Fund for 2018-2019 in relation to Council Tax is set out below and includes assumptions about collection rates. It is forecast that there will be an accumulated surplus in the region of £1.2 million at 31 March 2019. This will be apportioned between precepting authorities during 2019-2020.

**Table 1 – Forecast Council Tax Outturn 2018-2019**

	£000	£000
<b>Actual accumulated surplus at 1 April 2018</b>		(1,122)
<b>Apportionment of 2017-2018 estimated surplus calculated January 2018 (payments made during 2018-2019)</b>		
City of Wolverhampton Council	790	
West Midlands Police	62	
West Midlands Fire Service	30	882
<b>Net surplus 2017-2018</b>		<b>(240)</b>
<b>Estimated income 2018-2019</b>		
Income from Council Tax	(111,606)	
<b>Total estimated income</b>		<b>(111,606)</b>
<b>Estimated expenditure 2018-2019</b>		
Demands on Collection Fund		
City of Wolverhampton Council	96,970	
West Midlands Police	8,093	
West Midlands Fire Service	3,705	
Provision for non-collection of council tax	1,914	
<b>Total estimated expenditure</b>		<b>110,682</b>
<b>Net estimated surplus 2018-2019</b>		<b>(924)</b>
<b>Estimated accumulated surplus at 31 March 2019</b>		<b>(1,164)</b>

3.2 The overall position in terms of the allocation of the surplus between the Council and the precepting bodies is summarised in Table 2. The split is based on the 2018-2019 council tax bill that was approved by Full Council in the formal council tax resolutions on 7 March 2018.

- 3.3 The forecast surplus has arisen as a result of a lower than anticipated bad debt charge to in 2017-2018 in addition to a higher council tax base than anticipated in 2018-2019.

**Table 2 – Recommended split of forecast Council Tax surplus for 2018-2019, to be distributed in 2019-2020**

<b>Council Tax</b>	<b>City of Wolverhampton Council £000</b>	<b>West Midlands Police £000</b>	<b>West Midlands Fire Service £000</b>	<b>Total £000</b>
Actual accumulated surplus at 1 April 2018	(1,005)	(79)	(38)	(1,122)
Less: Apportionment of 2017-2018 estimated surplus calculated January 2018 (payments made during 2018-2019)	790	62	30	882
<b>Additional accumulated surplus at 1 April 2018 (to be apportioned during 2019-2020)</b>	<b>(215)</b>	<b>(17)</b>	<b>(8)</b>	<b>(240)</b>
Apportionment of 2018-2019 estimated surplus calculated January 2019 (to be apportioned during 2019-2020)	(823)	(69)	(32)	(924)
<b>Total Forecast Surplus (to be apportioned during 2019-2020)</b>	<b>(1,038)</b>	<b>(86)</b>	<b>(40)</b>	<b>(1,164)</b>

- 3.4 The sums due to the two precepting authorities will be paid in equal instalments alongside the precepts payable for 2019-2020 as set out in paragraph 2.3.

#### 4.0 Business Rates (Non-Domestic Rates) Estimated Outturn 2018-2019

4.1 The estimate on the Collection Fund for 2018-2019 in relation to Business Rates, also referred to as Non-Domestic Rates (NDR), is set out below. It is forecast that there will be an accumulated deficit of £1.1 million at 31 March 2019. This will be apportioned between precepting authorities during 2019-2020.

**Table 3 - Forecast Business Rates Outturn 2018-2019**

	£000	£000
<b>Actual accumulated deficit at 1 April 2018</b>		1,122
<b>Apportionment of 2017-2018 estimated deficit calculated as at January 2018 (payments made during 2018-2019)</b>		
City of Wolverhampton Council	936	
Central Government	(2,660)	
West Midlands Fire Service	(17)	(1,741)
<b>Net surplus 2017-2018</b>		<b>(619)</b>
<b>Estimated income 2018-2019</b>		
Income from Business Rates (NDR)	(73,568)	
Transitional Payment	370	
<b>Total estimated income</b>		<b>(73,198)</b>
<b>Estimated expenditure 2018-2019</b>		
Demands on Collection Fund		
City of Wolverhampton Council (including designated areas and renewable energy)	72,920	
West Midlands Fire Service	736	
Provision for non-collection of NDR (incl. appeals)	908	
Cost of Collection Allowance	336	
<b>Total estimated expenditure</b>		<b>74,900</b>
<b>Net estimated deficit 2018-2019</b>		<b>1,702</b>
<b>Estimated accumulated deficit at 31 March 2019</b>		<b>1,083</b>

4.2 The forecast deficit on Business Rates has arisen as a result of an increase in the provision for appeals in 2018-2019. This is offset in part by a lower in year charge against the provision for appeals in 2017-2018 than was originally anticipated.



- 4.3 The overall position in terms of the allocation of the deficit between the Council and the precepting body is summarised in Table 4 below. The split is prescribed by legislation.

**Table 4 – Recommended split of forecast Business Rates deficit for 2018-2019, to be distributed in 2019-2020**

<b>Business Rates</b>	<b>City of Wolverhampton Council £000</b>	<b>West Midlands Fire Service £000</b>	<b>Total £000</b>
<b>Additional accumulated surplus at 1 April 2018 (to be apportioned during 2019-2020)</b>	<b>(613)</b>	<b>(6)</b>	<b>(619)</b>
Apportionment of 2018-2019 estimated deficit calculated January 2019 (to be apportioned during 2019-2020)	1,685	17	1,702
<b>Total Forecast Deficit (to be apportioned during 2019-2020)</b>	<b>1,072</b>	<b>11</b>	<b>1,083</b>

- 4.4 The sums due from the precepting body will be paid in equal instalments alongside the precepts payable for 2019-2020 as set out in paragraph 2.3.
- 4.5 It is important to note, that it continues to be very difficult to arrive at an accurate forecast of business rates appeals made against the 2017 ratings list, due to the lack of information available from the Valuation Office and the impact of the new 'Check, Challenge, Appeal' process.

## **5.0 Evaluation of alternative options**

- 5.1 The estimated outturn on the Collection Fund for 2018-2019 has been prepared in accordance with specifications, regulations and directions made under various sections of the Local Government Finance Acts 1988 and 1992.

## **6.0 Reasons for decisions**

- 6.1 Cabinet is recommended to approve the payments to/from the precepting bodies based on the estimated outturn of the Collection Fund for 2018-2019. This will inform the budget setting process for 2019-2020, for the Council and precepting bodies.
- 6.2 Approval is also sought to delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to confirm any final changes to the forecast outturn reflecting any further information received ahead of the statutory deadline of 31

January 2019. This will ensure that the most up to date information is used to inform 2019-2020 budgets.

## **7.0 Financial implications**

- 7.1 The total Collection Fund accumulated surplus in 2018-2019 is estimated to be in the region of £81,000, of which the Council will be expected to retain a deficit of approximately £34,000. This is the net sum of the forecast surplus relating to Council Tax (£1.038 million, Table 2) and forecast deficit relating to Business Rates (£1.072 million, Table 4).
- 7.2 The Council's Medium Term Financial Strategy will be updated to reflect the forecast outturn on the Collection Fund.
- 7.3 It is important to note however that the estimated Collection Fund outturn for the current financial year has to be forecast by January of that year and is based upon information available at a point in time. Therefore, any changes to the assumptions that occur in the remaining months of the financial year, will have an impact on actual Council Tax and Business Rates collected and consequentially the final outturn on the Collection Fund. Any resulting change to the surplus or deficit, will be recovered in future years.  
[MH/04012019/K]

## **8.0 Legal implications**

- 8.1 The relevant legislation is contained in the body of the report and the recommendations are made in accordance with the legislation.  
[TS/03012019/R]

## **9.0 Equalities implications**

- 9.1 There are no relevant equalities implications arising from this report.

## **10.0 Environmental implications**

- 10.1 There are no relevant environmental implications arising from this report.

## **11.0 Human resources implications**

- 11.1 There are no relevant human resources implications arising from this report.

## **12.0 Corporate landlord implications**

- 12.1 There are no relevant corporate landlord implications arising from this report.

## **13.0 Health and wellbeing implications**

- 13.1 There are no relevant health and wellbeing implications arising from this report.

#### **14.0 Schedule of background papers**

- 14.1 Council, 7 March 2018 – [‘Council Tax Formal Resolutions’](#)
- Council, 1 March 2017 – [‘Council Tax Formal Resolutions’](#)

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	DEFRA Grant funding for Air Quality	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Steve Evans City Environment	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	East Park, Ettingshall, Heath Town and St Peter's	
<b>Accountable Director</b>	Ross Cook, Service Director of City Environment	
<b>Originating service</b>	City Environment	
<b>Accountable employee</b>	John Roseblade Tel Email	Head of City Transport 01902 555755 john.roseblade@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	City Environment Leadership Team	8 January 2018

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#### **Recommendations for decision:**

The Cabinet is recommended to:

1. Approve the establishment of the budget to allow the identified works as set out in the report to be carried out and the grant to be spent.
2. Delegate authority to the Cabinet Member for City Environment, in consultation with the Director of Finance, to accept a grant from the Department for Environment Food and Rural Affairs on behalf of City of Wolverhampton Council and approve the terms of any grant agreement.

#### **Recommendation for noting:**

The Cabinet is recommended to:

1. Note that in addition, the Department for Environment Food and Rural Affairs has issued the West Midlands Combined Authority with a £3 million grant to be spent on cleaning the bus fleet that use the section of road identified. This aspect of the grant will be delivered by Transport for West Midlands.

## **1.0 Purpose**

- 1.1 The Department for Environment Food and Rural Affairs (Defra) has been working with City of Wolverhampton Council (CWC) to explore the potential for accelerating compliance with air quality limits at certain identified locations within the City.
- 1.2 The government have issued ministerial direction relating to this work compelling the Council to undertake certain key actions that have been demonstrated could have a demonstrable affect on pollution levels. As a result, on the 20 December 2018 Defra awarded funding to assist the Council in delivering these interventions.
- 1.3 The purpose of this report is to seek approval to establish an associated budget and seek delegated authority to the Cabinet Member for Environment in consultation with the Director of Finance officer to accept the grant on behalf of CWC.

## **2.0 Background**

- 2.1 As part of the National Air Quality Strategy Defra has identified certain busy roads in the City of Wolverhampton as having a continued breach of the National Air Quality Limit for Nitrogen Dioxide. These roads are identified on the plan included in Appendix 1.
- 2.2 Earlier in 2018 Defra issued a ministerial direction requiring CWC to undertake a Targeted Feasibility Study, examining any possible interventions that could bring about compliance with the air quality limits. A revenue grant of £50,000 was provided by Defra to fund this.
- 2.3 This study was submitted in July 2018 and identified that for a section of the A4150 (Defra's reference: Census ID 28464) a combination of traffic signal optimisation and retrofit of clean bus technology could bring forward compliance from 2021 to 2020.
- 2.4 Although there were many options considered for all four stretches of road identified in Appendix 1 the interventions mentioned in section 3 below were the only ones where a an objective air quality benefit could be demonstrated and as such were the only ones taken forward.
- 2.5 A further ministerial direction was issued to CWC requiring these measures to be implemented as soon as possible. CWC has subsequently provided further detail in relation to the proposals which has now lead to Defra issuing grant funding of **£228,000** to facilitate the implementation of the signal optimisation work.
- 2.6 In addition to this funding Defra has issued the West Midlands Combined Authority with £3 million to be spent on cleaning the bus fleet that use the section of road identified. This aspect of the grant will be delivered by Transport for West Midlands.

## **3.0 Progress**

- 3.1 In order to achieve accelerated air quality compliance Defra has been working on extremely tight timescales. The work as set out below needs to commence immediately.

3.2 The proposed measures Defra is asking us to implement are as follows:

**Bilston Street Island:**

- a. Review of signal operation utilising modelling software Linsig and implementation and evaluation of changes
- b. Phase 1 – Widening of Ring Road St David’s to provide 3 Lanes full (2x3.65m and 1x3.5m @70m) to improve flow at junction and reduce queue lengths by 30% at peak periods.
- c. Phase 2 – Widening of Ring Road St George’s to provide 3 Lanes full (2x3.65m and 1x3.5m @70m) to improve flow at junction and reduce queue lengths by 30% at peak periods.

**Ring Road / Broad Street**

- a. Review of signal operation utilising modelling software Linsig and implementation and evaluation of changes.
- b. Review design layouts (feasibility) consider reintroduction of two lane cut through for A4124 to improve flow at junction.

**Horseley Fields / Corn Hill**

- a. Review of signal operation utilising modelling software Linsig and implementation and evaluation of changes.

3.3 In addition to the above an element of funding is available as part of the grant for monitoring and evaluation including the ongoing roadside monitoring of pollution levels.

3.4 Defra has indicated that they will be setting up regular review meetings to support and monitor progress.

**4.0 Evaluation of alternative options**

4.1 During the initial feasibility study several options were examined but rejected from the Defra study because a tangible air quality improvement could not be demonstrated. These options included speed limit reductions, traffic smoothing and softer measures such as driver training and sustainable transport initiatives.

4.2 The measures identified and now being funded by Defra through this particular grant are only those that can demonstrably contribute to the specific air quality levels on the relevant section of the A4150.

**5.0 Reasons for decisions**

5.1 Defra has made this money available for CWC to implement measures that have been mandated through ministerial direction. Cabinet is being asked to approve the establishment of a budget and delegate authority to accept this funding. Without this external contribution CWC would have to find funding from other sources.

5.2 The measures identified are likely to be included in Defra's final National Air Quality Action Plan.

## **6.0 Financial implications**

6.1 The capital grant of £228,000 is being offered under section 31 of the Local Government Act 2003 and is subject to specific grant conditions, including: "Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003."

6.2 If an authority fails to comply with the requirements of the grant then it may have to repay some or all of the grant.

6.3 Approval is required to establish a budget of £228,000 and accept the grant in order to deliver the requirements of the ministerial direction.

[MK/11012019/E]

## **7.0 Legal implications**

7.1 The Council may be required to enter into a formal grant agreement in order to received the funds referred to in this report. Legal advice will be required in respect of any such agreement.

[TS/11012-19/R]

## **8.0 Equalities implications**

8.1 There are no Equalities implications arising from this report.

## **9.0 Environmental implications**

9.1 The specific intention of this grant is to improve air quality levels at key points within the City.

## **10.0 Human resources implications**

10.1 There are no human resources implications arising from this report.

## **11.0 Corporate landlord implications**

11.1 There are no corporate landlord implications arising from this report.

## **12.0 Health and Wellbeing Implications**

12.1 Poor Air Quality has a direct affect on health and wellbeing. By implementing these measures it is intended to improve pollution levels with a consequential benefit in health. Reduced congestion on this busy section of road will also contribute towards more efficient and consistent journey times



### **13.0 Schedule of background papers**

13.1 Targeted Feasibility Study produced OBO Defra, July 2018.

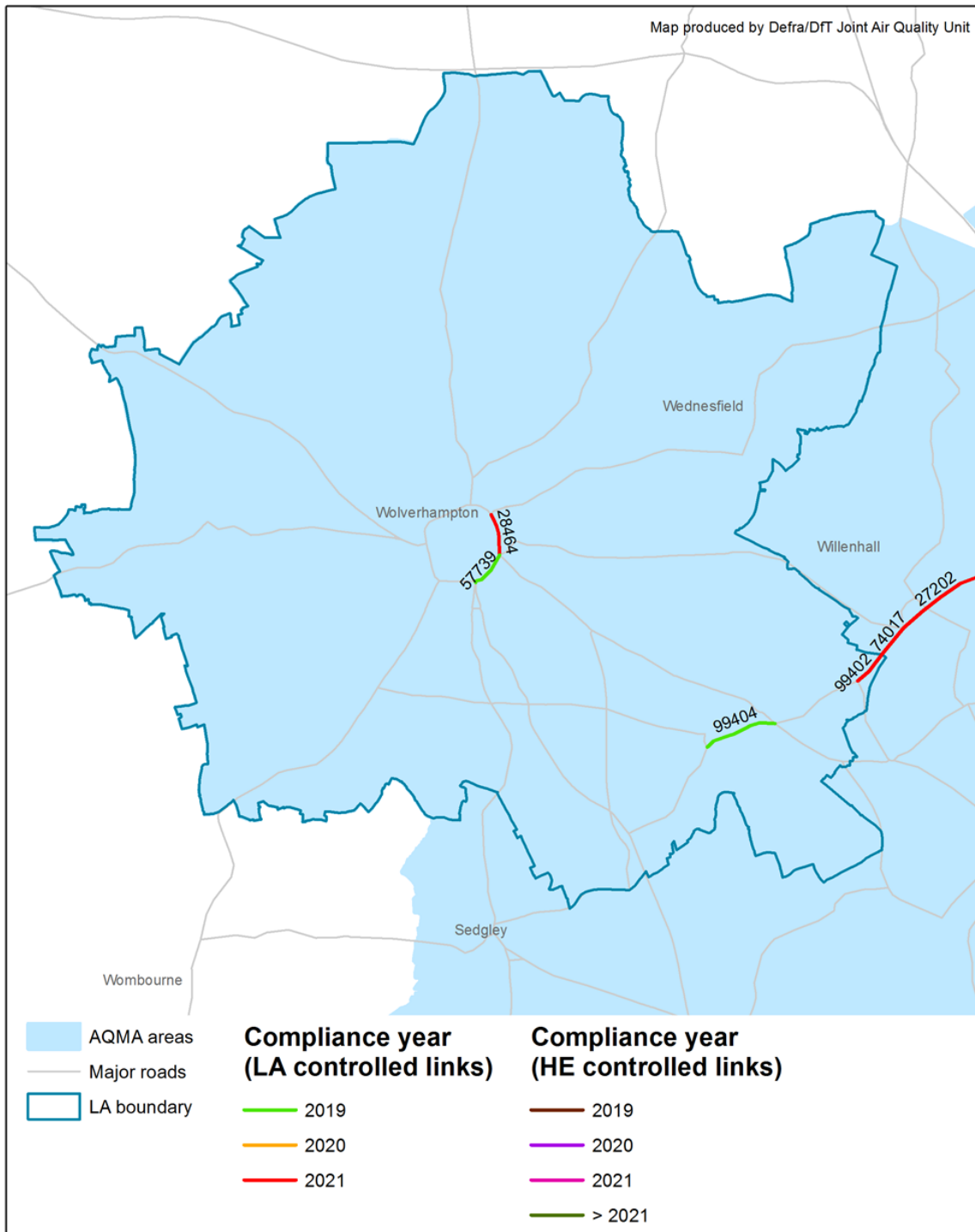
### **14.0 Appendices**

Appendix 1 – Map showing Areas Identified by Defra as having continued exceedances of the air quality objective for Nitrogen Dioxide

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## Appendix 1

Map showing Areas Identified by Defra as having continued exceedances of the air quality objective for Nitrogen Dioxide



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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>23 January 2019</b>
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<b>Report title</b>	Adult Education: Quality of Provision 2017-2018	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Lynne Moran Education and Skills	
<b>Key decision</b>	No	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Meredith Teasdale, Director of Education	
<b>Originating service</b>	Adult Education	
<b>Accountable employee</b>	Joanne Keatley	Head of Adult Education
	Tel	01902 558173
	Email	joanne.keatley@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Education Leadership Team	17 December 2018

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**Recommendation for decision:**

The Cabinet is recommended to:

Endorse Adult Education's Self-Assessment Report for 2017-2018 and the Quality Improvement Plan for 2018-2019.

## **1.0 Purpose**

- 1.1 The Annual Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) are key documents produced by the Adult Education Service to evaluate and improve the quality of education provided to Wolverhampton residents.
- 1.2 The reports are used by Ofsted when planning and conducting an inspection with a provider.
- 1.3 The SAR and QIP need to be endorsed by Cabinet to ensure effective governance for the Adult Learning Service.

## **2.0 Background**

- 2.1 It is a requirement of Ofsted, and good practice, for the service to continually evaluate the quality of the provision it is providing. The production of an annual Self-Assessment Report is the outcome of this process and a Quality Improvement Plan is then produced for the service to use to implement, resource and monitor improvements.
- 2.2 The Ofsted Common Inspection Framework (CIF) is used to guide the self-assessment process and the report is written using the key headings of the CIF. The completed report is uploaded to Ofsted once it has been through a validation process. The validation process ensures that the grades in the report are appropriate given the evidence and data provided.
- 2.3 The validation process includes support and challenge from the Adult Education Advisory Board, the Education Leadership Team, a member of the School Improvement Team and Derby Adult Education Service.
- 2.4 Finally, the Cabinet report is provided. It summarises the quality judgements and main areas for improvement contained in the full SAR and QIP which are available at Appendix 1 and Appendix 2 to this report respectively.

## **3.0 Progress**

- 3.1 The grading system used by the service is the same as that used by Ofsted:
  - grade 1 (outstanding)
  - grade 2 (good)
  - grade 3 (requires improvement)
  - grade 4 (inadequate)
- 3.2 The self-assessment grading judgement, for the academic year 2017-2018, made by the service is:
  - Overall Effectiveness Grade 1
  - Effectiveness of Leadership and Management Grade 1

- Quality of Teaching, Learning and Assessment           Grade 1
- Personal Development, Behaviour and Welfare           Grade 1
- Outcomes for Learners   Grade 1

3.3 A summary of the main judgements and key strengths that led to the overall grade are contained in the first section of the SAR and detailed below:

- Adult Education Wolverhampton ambitions and strategic priorities are clearly communicated and well promoted to governors, staff, students and other stakeholders through whole staff events, staff and student induction, weekly Catch-Up, Thumbnail Sketch and 'Plan on a page'.
- Inclusivity is at the heart of all planning and delivery. During 2017-2018, teachers used the service wide themes of remembrance, world book day and world environment day as the hook to embed new themes into their delivery. Other examples include:
  - flexible assessment timetables to enable seasonal and shift workers to achieve English for Speakers of Other Languages (ESOL) qualifications
  - high levels of physical and technical support to reduce barriers to learning
  - promotion of Learning Clubs to promote lifelong learning to adults
  - proactive partnership building to engage with priority groups such as those with low and no formal qualifications and experiencing mental ill health and social and economic deprivation. Effective strategies, such as Family Learning, bespoke Syrian Refugee Resettlement Programme and Like Minds to engage with priority groups.
- Safeguarding and e-safety are key priorities. Procedures have been further tightened and there is scrutiny and robust implementation of the strengthened procedures to ensure they go beyond the norm.
- There is a shared ethos focused on student inclusion, success and progression. The organisation culture promotes sharing of good practice as evidenced by Observations of Teaching Learning and Assessments (OTLA) and cross service learning walks in agreed priority areas such as delivery of safeguarding and British Values; integration of English and maths; development of digital skills; application of Recognising and Recording Progress, Achievement and Progression (RARPAP) and progression planning.
- Student progress and achievement is well promoted and celebrated across the Service. Annual events were organized to celebrate Adults with Learning Difficulties and Disabilities and British Sign Language achievement, level two and level three showcase of student work and success on ERASMUS + work

placements. A specific event was organised with the Lord Mayor's office to celebrate the Festival of Learning national winner and finalists.

- Excellent lesson and classroom delivery as evidenced by Learning Walks, OTLA observations and peer observations ensures students succeed and progress.
- Student feedback from mid-course reviews is excellent; more than 93% of students in Access and Further Education, Education and Training and Continuing Education completing the mid-course reviews believed that their course prepared them for their chosen next step; 100% of students completing surveys in Continuing Education confirmed that they felt safe; 100% of students completing surveys in Education and Training reported that the provision offer was excellent; 96% of students completing surveys in Access to Further Education rated their teaching support as excellent.
- Overall achievement rates for all courses and all groups of students across all equality indicators are high and often well above the relevant benchmarks.

3.4 The areas for improvement identified following self-assessment were:

- Development of resources to support teachers in promoting awareness of PREVENT and radicalisation with confidence
- Development and implementation of strategies to ensure external progression opportunities are equally and consistently well-defined and promoted in all areas
- Raise service-wide awareness of approaches to mental well-being of staff and students
- Improve Additional Learning Support delivery to students at transitional phases
- Improve management of students in English and maths continuing their study from one academic year to the next
- Improve pass rates in Information Communication Technology (ICT) Functional Skills
- Improve management of young people's programmes
- Devise, agree and promote OTLA process and procedure for non-graded observations for 2019-2020
- Agree, promote and implement the Informal Learning Plan for 2018-2019 to achieve a 30% increase in community learning enrolments
- Agree, promote and implement a digital skills plan for 2018-2019 for staff and measure impact on student satisfaction
- Agree, promote and implement English, maths and ESOL plan for 2018-2019



- Implement and support the delivery of staff led Continuous Professional Development (CPD) programme

3.5 To achieve these improvements the actions, outcome measures and required impact are detailed in the QIP, Appendix 2.

#### **4.0 Evaluation of alternative options**

4.1 One option would be for the service not to critically evaluate its provision on an annual basis or produce the SAR and QIP against the Ofsted Common Inspection Framework. However, the process of self-assessment and improvement planning is a systematic method of checking quality and ensuring resources are focused on the right quality improvements. Reporting against the Common Inspection Framework means Ofsted have a familiar reporting style from which to begin their dialogue with the service at inspection.

#### **5.0 Reasons for decision**

5.1 The decision to judge the service as outstanding is formed on sound evidence and made by experienced professionals in the service. The judgement has been scrutinised and challenged by the Advisory Board, the Education Leadership Team, a member of the School Improvement Team and a Head of Service from another Local Authority Adult Education Provider.

#### **6.0 Financial implications**

6.1 There are no known financial implications arising from this report.  
[DB/11122018/W]

#### **7.0 Legal implications**

7.1 There are no known legal implications arising from this report.  
[JSM/10122018/AE]

#### **8.0 Equalities implications**

8.1 There are no known equalities implications arising from this report.

#### **9.0 Environmental implications**

9.1 There are no known environmental implications arising from this report.

#### **10.0 Human resources implications**

10.1 There are no known human resource implications arising from this report.

#### **11.0 Corporate landlord implications**

11.1 There are no known property portfolio implications arising from this report.

## **12.0 Health and Wellbeing Implications**

12.1 There are no known health and wellbeing implications arising from this report.

## **13.0 Appendices**

Appendix 1 – Self-Assessment Report 2017-2018

Appendix 2 – Quality Improvement Plan 2018-2019



**ADULT EDUCATION**  
WOLVERHAMPTON

# Self-Assessment Report

## 2017/2018

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# Self-Assessment Report 2017/2018

## 1.0 Introduction

The City of Wolverhampton Council receives just over £3m annually from the Department for Education via the Education and Skills Funding Agency to provide the Adult Education Service. Adult Education Wolverhampton (AEW) sits in the City Council's Education Directorate. The service was last inspected by Ofsted in December 2014, it was rated Ofsted Outstanding and continues to offer an excellent student experience to circa 2,500 Wolverhampton adult residents annually.

AEW is an Adult and Community Learning provider (ACL) and, therefore, has a mixed portfolio of skills, Advanced Learner Loans and community learning funding which positions it well to make a valuable contribution to agendas such as health and well-being, qualifications and skills, employment, reducing social isolation and community cohesion.

AEW's position as an ACL provider affords it the opportunity to attract adults who are returning to learning and seeking a safe, discrete learning environment with other adult learners. It caters specifically for the needs of adults rather than those of young people and focuses on ensuring adults are well supported, prepared and challenged towards their chosen next steps while often overcoming health and specific learning barriers that they have had since school or developed in early adulthood.

The AEW curriculum is designed to meet its mission and 'make a positive difference to the lives of individuals and communities through high quality learning that inspires, challenges and leads to further learning and employment'.

The curriculum targets residents from deprived communities, with low levels of skills and qualifications and high levels of unemployment. The curriculum is designed to widen participation in learning particularly for those furthest from the labour market; offer opportunities to improve health and well-being, putting people in a better position to move towards employment and provide people with the qualifications, skills and attitudes needed by employers today.

The service has strengths in areas such as English, maths and English for Speakers of Other Languages (ESOL) alongside vocational and technical provision at level 2 and below and provision specifically designed for those with mental health issues and learning disabilities. The service also provides opportunities for adults to enter higher education after following an Access to Higher Education programme or other Level 3 courses.

The service works hard and purposefully to provide an inclusive learning environment to support its impact on individuals and their communities. The service has well developed productive partnerships internally within the Council, and externally with a range of public, private and third sector organisations, including City of Wolverhampton College, Job Centre Plus, the Refugee and Migrant Centre and the Learning Platform. In 2017-18, the service delivered in 46 venues and 55% of its provision was delivered to residents from the 9 most deprived wards.

Governance of the service has been strengthened through the introduction of an advisory board. The Board's focus is on the responsiveness and quality of the curriculum offer. It is chaired by the Cabinet Member for Education and Skills and made up of a cross section of Council and external members.

## 1.1 Background Data

The service uses key demographic data along with information on the labour market trends to inform the planning and delivery of AEW's offer to residents.

Wolverhampton has significantly higher levels of its population with no qualifications: in 2016, 19.4% of the working age population had no qualifications compared to 7.8% in England. To bridge the gap a further 18,612 Wolverhampton residents would need to gain a recognised qualification.

In 2016, 23.3% of residents in Wolverhampton held a qualification at level 4 or above compared with 37.9% of people in England. A further 23,278 Wolverhampton residents would need to achieve a level 4 qualification to reach the England level.

In 2011, 19% of the Wolverhampton population had literacy skills below level 1, compared to 14.9% in England.

For numeracy the gap is wider with 58.6% of the population having numeracy skills below level 1 and 49.1% in England. Having numeracy skills below level 1 means a person may not be able to understand price labels or pay household bills.

One in three families live in poverty, which is 20% above the England average. The life expectancy gap between the richest and poorest wards in 2015 was 9.5 years for women and 11.3 years for men.

5.1% of the working age population claimed unemployment benefit in November 2017, which is 2% higher than the England average.

## 1.2 Planning for change

The service is preparing for two significant strategic developments:

The service is forming a good relationship with the West Midlands Combined Authority in readiness for the devolution of the Adult Education Budget. This includes working in close partnership with the third sector and the College to develop a 'Learning Community' that represents a well-understood learning delivery model for residents.

In addition, the City Learning Quarter (CLQ) will be created around the Old Hall Street area of the city centre. It will physically bring together the City of Wolverhampton College, the Adult Education Service, and the Central Library. The service will be working hard to ensure that there is collaborative planning with the College and that the CLQ, therefore, offers residents a joined-up, enhanced offer.

In this context, Adult Education Wolverhampton has a clear vision and sense of direction, supported by a clearly stated set of priorities to guide it through to 2020. These are to:

- Mobilise the Adult Education Service behind the Wolverhampton Skills & Employment Action Plan and WMCA Regional Skills Plan priorities
- Maintain Ofsted "Outstanding" status
- Continue to evolve the curriculum offer to meet needs of Wolverhampton residents and employers
- Restructure the service resources to ensure regional employment and skills priorities can be delivered
- Work collaboratively to ensure the CLQ is greater than the sum of its parts

## 2.0 Progress towards improvement areas identified in SAR 2016-17

Objective	Achieved/Not Achieved	Evidence
<ul style="list-style-type: none"> <li>▪ Improve achievement rates in relevant QCF units and Access to HE Diploma in Health Studies.</li> </ul>	Achieved	QCF unit achievement rate improved from 91% to 95% and Access to HE Health Studies achievement rate improved from 48% in 16/17 to 80% in 17/18
<ul style="list-style-type: none"> <li>▪ Improve retention rates in GCSE English</li> </ul>	Achieved	Improved from 75% to 81% in 17/18
<ul style="list-style-type: none"> <li>▪ Increased participation in full Level 2 and full Level 3</li> </ul>	Achieved	Increased from 168 in 16/17 to 223 in 17/18
<ul style="list-style-type: none"> <li>▪ Increase capture and accuracy of 'wider outcomes' from current 28% of students to 50% plus</li> </ul>	Achieved	71% of 1392 students in scope completed the survey
<p>Page 335</p> <ul style="list-style-type: none"> <li>▪ Extend external challenge with the implementation of the Advisory Board and further work with the Adult and Community Learning Alliance</li> </ul>	Achieved and Ongoing	Impact of Advisory Board has been: <ul style="list-style-type: none"> <li>➤ Strengthened student and employer voice for the Service</li> <li>➤ Raised profile of AE's work internally and externally through board members</li> <li>➤ Strengthened link between service priorities and regional, local priorities - Board meeting in July on strategic priorities</li> <li>➤ Strengthened link between service priorities and public health priorities - board meeting July and presentation to Public Health Board September.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Increase relevant work-related activities for students as appropriate (work experience, work shadowing, employer talks and visits out)</li> </ul>	Increase Achieved	Students have volunteered during enrolment and open days, Business Studies students have experienced reception duties, student ambassadors, ALDD students have experienced enterprise activities, Erasmus student experience project continues.
<ul style="list-style-type: none"> <li>▪ ESOL (Speaking and Listening) assessment plan to ensure success for all students particularly those likely to undertake seasonal work</li> </ul>	Achieved	Retention rate on ESOL Speaking and Listening has increased to 96% as a consequence of the changes introduced in timetabling.

Objective	Achieved/Not Achieved	Evidence
<ul style="list-style-type: none"> <li>▪ Tools for recording and evidencing progression towards student ambition and long-term goals.</li> </ul>	Achieved	Course application form and process developed, promoted and implemented in technical areas - now forms part of relevant ILPs
<ul style="list-style-type: none"> <li>▪ Opportunities for students to access and develop digital literacy skills further in creative activities, maths and English</li> </ul>	Achieved	Additional digital equipment and resources available to staff and students. Significant investment at the Maltings to support students in creative subjects. Blend Space well used in maths for teaching and to monitor homework activities. Good sharing of technologies and related resources evidenced in language courses e.g. Socrative, Quizziz, Numbermatch, BSL, VLE area, Padlet and WhatsApp used to record developmental progress and peer observations.
<ul style="list-style-type: none"> <li>▪ Recording of lateness and monitoring of staff and student punctuality</li> </ul>	Achieved	Monitored through Learning Walks, QA checks and during management duty slots.
<ul style="list-style-type: none"> <li>▪ Development of the Retention, Pass and Achievement (RPA) tool to include the systematic monitoring of in-house student progression (three year trends)</li> </ul>	Achieved	The RPA tool was found to be unsuitable for this function but further work with Monterpoint has led to a new performance module being available which will give 3-year trend data for students moving into employment and moving from level to level.
<ul style="list-style-type: none"> <li>▪ Mapping for maths and English provision leading to a coordinated approach to delivery by key providers across Wolverhampton - using an approach similar to that used for the ESOL strategy</li> </ul>	Mapping Achieved	Information mapped and ready for uploading to workbox. Provider group not set up.
<ul style="list-style-type: none"> <li>▪ Evidence effectiveness of provision by systematic tracking of student progression and destination</li> </ul>	Partially Achieved	<ul style="list-style-type: none"> <li>➤ Information collated upon collection of certificates and as part of IAG reviews.</li> <li>➤ Report commissioned by AEW to provide a comprehensive root and branch review of the student gateway for the service identifies:                             <ul style="list-style-type: none"> <li>- Progression planning for employment in early stages.</li> <li>- Further work required to produce annual progression plan for employment and health and well-being across the service</li> </ul> </li> </ul>

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Objective	Achieved/Not Achieved	Evidence
		<ul style="list-style-type: none"> <li>➤ Next Steps survey undertaken towards end of course but provides key information required to inform partner interventions</li> </ul>
<ul style="list-style-type: none"> <li>▪ Collaboration with other providers to map and provide clear information, advice and guidance to students about external provision they can progress to (including adult apprenticeships)</li> </ul>	<p>Achieved</p>	<ul style="list-style-type: none"> <li>➤ AEW are represented at the City-wide CEIAG network meetings aimed at strengthening the quality and accessibility of IAG provision to residents</li> <li>➤ Contributed to the development of Wolves Workbox website to map IAG support across the city</li> <li>➤ Wolves Workbox is easily accessible and promoted through AEW prospectus, the student handbook, Jobs Board and via individual IAG sessions where the student encouraged to sign up for updates</li> <li>➤ Progression Event held in June provided information to students about employment and further learning opportunities</li> </ul>

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### 3.0 Overall Effectiveness

#### ***Proposed Grade 1***

- Adult Education Wolverhampton ambitions and strategic priorities are clearly communicated and well promoted to governors, staff, students and other stakeholders through whole staff events, staff and student induction, weekly Catch-Up, Thumbnail Sketch and 'Plan on a page'
- Inclusivity is at the heart of all planning and delivery. During 2017-18, teachers used the service wide themes of remembrance, world book day and world environment day as the hook to embed new themes into their delivery. Other examples include:
  - flexible assessment timetables to enable seasonal and shift workers to achieve ESOL qualifications
  - high levels of physical and technical support to reduce barriers to learning
  - promotion of Learning Clubs to promote life-long learning to adults
  - proactive partnership building to engage with priority groups such as those with low and no formal qualifications and experiencing mental ill health and social and economic deprivation. Effective strategies, such as Family Learning, bespoke Syrian Refugee Resettlement Programme and Like Minds to engage with priority groups.
- Safeguarding and e-safety are key priorities. Procedures have been further tightened and there is close scrutiny and robust implementation of the strengthened procedures to ensure they go beyond the norm.
- There is a shared ethos focused on student inclusion, success and progression. The organisation culture promotes sharing of good practice as evidenced by OTLAs and cross service learning walks in agreed priority areas such as delivery of safeguarding and British Values; integration of English and maths; development of digital skills; application of RARPAP and progression planning.
- Student progress and achievement is well promoted and celebrated across the Service. Annual events were organized to celebrate ALDD and BSL achievement, Level 2 and Level 3 showcase of student work and success on ERASMUS + work placements. A specific event was organised with the Lord Mayor's office to celebrate the Festival of Learning national winner and finalists.
- Excellent lesson and classroom delivery as evidenced by Learning Walks, OTLA observations and peer observations ensures students succeed and progress.
- Student feedback from mid-course reviews is excellent; more than 93% of students in Access and Further Education, Education and Training and Continuing Education completing the mid-course reviews believed that their course prepared them for their chosen next step; 100% of students completing surveys in Continuing Education confirmed that they felt safe; 100% of students completing surveys in Education and Training reported that the provision offer was excellent; 96% of students completing surveys in Access to FE rated their teaching support as excellent.
- Overall achievement rates for all courses and all groups of students across all equality indicators are high and often well above the relevant benchmarks.

## 4.0 Effectiveness of Leadership and Management

### Proposed Grade 1

#### 4.1 Key Strengths

- Adult Education Wolverhampton ambitions and strategic priorities are clearly communicated and well promoted to governors, staff, students and other stakeholders through whole staff events, staff and student induction, weekly Catch-Up, Thumbnail Sketch and 'Plan on a page'
- Excellent communication between managers which delivers consistency in performance management of staff and delivery, consistency in application and implementation of agreed quality improvement initiatives such as: Course Application process and procedure; ILP developments; OTLA processes and paperwork; safeguarding developments; health and safety improvements; improved classroom standards; full delivery of ESFA and other contracts and full and effective utilisation of staff, rooms and other resources.
- Managers have, and are able to, draw on detailed knowledge of the whole service curriculum and student cohorts to plan and deliver their provision so that students have clear internal access and progression to their identified life and employment goals. In CELTA, Childcare, Health and Social Care and Pre-Access, external progression opportunities such as Apprenticeships are well promoted. Further work is needed to ensure external progression opportunities are equally and consistently well-defined and promoted in all areas.
- Comprehensive curriculum review and planning resulting in an offer directly aligned with local and national priorities examples include: Entry and Level 1 Health and Social Care and Practical Care Skills courses developed in response to the employer led Caring Careers Committee; increased core skills provision in response to local demand and ESOL strategy group information; increase in technical offer in response to Combined Authority Regional Skills findings; increase in level 3 offer in response to the need for residents with higher level skills; Learning Clubs in response to lifelong-learning and the health and wellbeing agenda. There has also been a 3% increase in participation from residents living in the 9 most deprived wards from 52% in 2016-17 to 55% in 2017-18. 29% of residents in 2017-18 were recruited from areas with the lowest Index of Multiple Deprivation as compared with 27% in 2016-17.
- Internal and external governance arrangements provide very good support and challenge to senior leaders – Advisory Board, scrutiny panels, Senior Executive Board, Education Leadership Team, Education, Skills & Employment Board, Adult and Community Learning Alliance.
- Inclusivity is at the heart of all planning and delivery. During 2017-18, teachers used the service wide themes of remembrance, world book day and world environment day as the hook to embed new themes into their delivery. Other examples include:
  - flexible assessment timetables to enable seasonal and shift workers to achieve ESOL qualifications
  - high levels of physical and technical support to reduce barriers to learning
  - promotion of Learning Clubs to promote life-long learning to adults
  - proactive partnership building to engage with priority groups such as those with low and no formal qualifications and experiencing mental ill health and social and economic deprivation
  - effective strategies, such as Family Learning, bespoke Syrian Refugee Resettlement Programme and Like Minds to engage with priority groups.
- Team working is well developed and promoted ensuring strengths are shared. This has led to early identification of issues and concerns and swift planning and implementation of appropriate interventions. Learning Walks identified very good practice in language, number and digital skills delivery as well as small pockets where improvements were identified. Cross service CPD events, led by managers, teachers and subject leads in 'maths is everywhere', 'marking English', 'Using Padlet', 'Effective use of VLE' and 'ESOL awareness' were effective in improving practice.
- Robust management of course and student data identified and eradicated the areas of poor delivery identified in 2016-17.
  - Achievement rates in QCF units have improved by 4%

- Achievement rate in Access to HE Diploma in Health Studies has improved by 33%
- Retention rate in English GCSE has improved by 6%
- Retention rate in ESOL (Speaking and Listening) has improved by 20%
- Good and effective range of partnership developments has led to increased delivery in priority areas and to priority groups in support of Widening Participation and Health and Wellbeing agendas. External delivery venues have increased from 35 in 2016/17 to 46 in 2017/18
- Safeguarding and e-safety are key priorities. Procedures have been further tightened and there is close scrutiny and robust implementation of the strengthened procedures to ensure they go beyond the norm. Examples include: appointment of security staff, keypad entry classrooms and Centre's, panic buttons in classrooms and individualized time bound ICT logins. *Further work needed to ensure students are prepared for combatting extremism and radicalization.*

## 4.2 Areas for Improvement

- Development of resources to support teachers in promoting awareness of PREVENT and radicalization with confidence
- Develop and implement strategies to ensure external progression opportunities are equally and consistently well-defined and promoted in all areas

## 5.0 Quality of Teaching, Learning and Assessment

### Proposed Grade 1

#### 5.1 Key Strengths

- There is a shared ethos focused on student inclusion, success and progression. The organisation culture promotes sharing of good practice as evidenced by OTLAs and cross service learning walks in agreed priority areas such as delivery of safeguarding and British Values; integration of English and maths; development of digital skills; application of RARPAP and progression planning.
- Subject Leads in core areas are working well individually and jointly to deliver consistency in standardisation and assessment practice to teaching teams through coaching and mentoring. Those in English, maths and ESOL have supported the IQA process to improve understanding of assessors leading to good results in English and ESOL.  
*Review and evaluation of the effectiveness and efficiency of the subject lead role in raising quality and enhancing student progression is necessary to make firm decisions about continuation of commitment and resource.*
- Mentoring of staff is effective in improving the quality of teaching, learning and assessment. 10 staff were mentored through the year resulting in 90% improving their OTLA grade.
- Robust OTLA and moderation process are well established and identify exceptional practice and areas for improvement. There is effective monitoring and standardisation of lesson observation practice through cross service and joint lesson observations. Joint lesson observations have increased from 9% of OTLAs in 2016/17 to 20% 2017/18.
- Effective standardisation activities across all curriculum areas, as evidenced in minutes of meetings and EQA reports, ensure good practice is shared and agreed quality improvement developments identified.
- The BSL team are particularly creative and technically strong and have produced well received innovative resources for the Service and the City.
- PGCE placements are well integrated and were an excellent additional resource for staff and students. All four PGCE students have been employed by AEW in 2018/19.
- Student progress and achievement is well promoted and celebrated across the Service. Annual events were organized to celebrate ALDD and BSL achievement, Level 2 and Level 3 showcase of student work and success on ERASMUS + work placements. A specific event was organised with the Lord Mayor's office to celebrate the Festival of Learning national winner and finalists.
- Robust use of course application process with effective initial assessment supports the placement of students on the right course and on the right route towards their goal.
- Excellent lesson and classroom delivery as evidenced by Learning Walks, OTLA observations and peer observations ensures students succeed and progress. *Some teaching sessions could be more inspiring.*
- There is good focus on recording students starting point and progress towards their learning and life goals. Technically focused skills checks enable clear identification of English and maths skills and there is a thorough understanding of language needs to ensure students are appropriately supported and challenged to successful completion and progression towards their identified goals.
- AEB funding is skillfully deployed to ensure students achieve their learning targets and progress towards their goals.
- BSL level 3 VLE and initial assessment need further review and development to raise levels of achievement

#### 5.2 Areas for Improvement

- Review effectiveness and efficiencies of Subject Lead role.

## 6.0 Personal Development, Behaviour and Welfare

### Proposed Grade 1

#### 6.1 Key Strengths

- Excellent development of students' ILT skills as evidenced in OTLA reports.
- Like Minds GP referral scheme has continued with a focus on the acquisition of skills. It remains an important tool in supporting students to manage their mental health and to develop their confidence to make choices and progress to further learning. 70% of students with diagnosed mental health following Like Minds courses reported improvements in their mental health, 51% reported an improvement in their personal confidence and 74% in the enjoyment of their life. *Raise service wide awareness of approaches to promote mental wellbeing of staff and students*
- Additional Learning Support for students is very good and that for students with learning difficulties and disabilities is excellent enabling students to progress towards independence and further study. *A review of ALS delivery to students at transition phases is necessary to ensure there is an appropriate balance between support and challenge to progress students as they become ready for their next steps. Implementation, review and evaluation of the updated Dyslexia support process and procedure needs to be embedded into the overall strategy for learning support*
- High quality learning opportunities and wider enrichment activities are offered to enable students to broaden their vocational experiences. There has been very good participation in wider enrichment activities such as Emergency Paediatric First Aid for students on teaching assistant and childcare courses; Emergency First Aid, Food Safety and Manual Handling for all students on Health and Social Care courses; Emergency First Aid for ESOL and Access to Health students; English and ESOL students completed project work by visiting local sites of historical interest; Life Skills students prepare for independence by planning and participating in trips to supermarkets, Art Galleries, Birmingham Christmas market and other places of interest. English, ESOL and Family Learning students explored the environment theme by completing appropriate learning tasks and visiting Birmingham Botanical Gardens and Dudley Zoo. Access to HE Art and Design students visited the Tate London; BSL students visited Deaf Fest Wolverhampton where local deaf friendly businesses and services are promoted
- Focused employability awareness sessions are held in all technical and core courses as well as in appropriate engagement provision to raise the awareness of opportunities available and the skills necessary to meet employer demand. 63% of students completing Teaching Assistant Level 2 and 3 courses reported positive employment outcomes. ALDD students experienced enterprise activities, Erasmus + project offered European work placements and 93% reported optimism about their future work prospects as a result of the programme, 96% reported that they had learnt better to value different cultures, feel more open minded and curious about new challenges. All students on the Level 2 Certificate in Skills for Further Study: Business Administration and Law participated in a work placement within customer service at AEW.
- ESOL students participated in Wolverhampton City walks, visiting local facilities and services as part of citizenship in ESOL. ALDD students regularly visit a range of places of worship to experience and learn about different faiths and cultures. Family Learning has been an effective tool in engaging and supporting 60 families of new arrivals at Goldthorn Primary School to integrate into the local community.
- In the annual 'Next Steps' survey, 70% of students overall reported an increase in their personal confidence. Students on core skills and technical courses reported 72% increased personal confidence. Those on technical and academic courses were also much more likely to encourage others to take up learning at 48%. 43% of students on Core courses reported they had become more involved in their child's education. 45% of students overall reported an improved social life and enjoyment of life, thereby contributing to reducing student isolation.
- Talk English project and Parent Champions courses have been effective in delivering volunteering support and experience to residents. Students have also been encouraged and recruited to volunteer during enrolment and open days and Access to Business Studies students have experienced reception duties.

- Good engagement with partnerships at strategic and operational level exist to safeguard students. This is evidenced through referrals to a broad range of appropriate organisations to provide ongoing support to individuals following any disclosure.

## 6.2 Areas for Improvement

- Raise service-wide awareness of approaches to mental well-being of staff and students.
- Review Additional Learning Support delivery to students at transition phases.
- Embed the dyslexia support process and procedure into the overall strategy for student support.

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## 7.0 Outcomes - 19+ Adult Provision

### Proposed Grade 1

#### 7.1 Key Strengths

- There is good development of relevant work-related opportunities within courses. Employer job fair events were hosted with good employer attendance e.g. Progress Care recruitment events led to 27 residents, including AEW students, being interviewed, 19 were offered a job and 5 were offered voluntary work. Work coaches visited Customer Service courses with details of hospitality jobs and employers from KASPAs, K Teas and Progress Care also visited classes to reinforce the messages about essential employability skills. *Partnerships with employers need to be developed further.*
- There is effective use of a range of learning support strategies that are individualised to ensure students succeed. Examples include timetabled tutorial slots at the start or end of teaching sessions or at times arranged individually with students, Learning Development sessions, Skills Builder sessions, use of VLE to promote individual study and homework tasks, level 6 communication support provided for maths for students who are deaf.
- There is excellent use of Skills Builder support for language and number development, which has enabled students to achieve and progress. 94% of students who attended Skills Builder sessions were supported to achieve their main learning aim and 56% progressed into further learning in 2018/19. It has also provided encouragement for students to self- identify the benefit of formal qualifications in English and maths and has resulted in students enrolling on discrete courses.
- There has been a 23% increase in students following programmes of study to support their quick progress towards being work ready. 42% of students on Education and Training courses were also attending a range of preparation for employment opportunities including English, maths, Food Safety, Emergency Paediatric First Aid and Skills Builder.
- There is improved student access to impartial careers guidance during and at the end of the course from work coaches and student services staff. Increased formal qualifications for IAG staff will further improve the service to students. IAG visits were carried out for identified technical courses. These sessions were course specific and linked to local labour market information. Student feedback confirmed that this support was well received, and the sessions led to a high percentage of students requesting and then receiving 1-2-1 sessions to confirm personal career plans for future employment and learning opportunities. Work coaches visited identified vocational learning courses to support individuals into employment opportunities.
- Student feedback from mid-course reviews is excellent; more than 93% of students in Access and Further Education, Education and Training and Continuing Education completing the mid-course reviews believed that their course prepared them for their chosen next step; 100% of students completing surveys in Continuing Education confirmed that they felt safe; 100% of students completing surveys in Education and Training reported that the provision offer was excellent; 96% of students completing surveys in Access to FE rated their teaching support as excellent.
- There is clear information on routes to further learning and employment for students in all technical areas and ensure students have 'a line of sight to jobs'. Progression routes for students on core courses clearly identify routes to further learning.
  - 84% of students on Education and Training courses progressed to further study in their chosen technical pathway; 63% of students on full level 2 and level 3 courses in Education and Training reported a positive employment destination
  - 81% of students completing Level 2 Certificate in Skills for Further Study progressed to Level 3 Diplomas; 92% student on Level 3 Access to Higher Education Diplomas progressed to University; 75% of students on maths Entry Level 3 progressed to Level 1; 54% of students who achieved Level 1 Maths progressed to Level 2; 47% of those students completing Level 2 progressed to GCSE maths.
  - 47% of Wider Family Learning students progressed to Family English, maths and language courses
  - 90% of CELTA students progressed to job related outcomes; 82% of ERASMUS + students progressed to job related outcomes or further study



- Erasmus + mobility project funding has been highly successful in preparing and sending students on European work placements thereby raising aspirations and leading to better personal and employment outcomes.
- There has been further significant investment in buildings and technology to support teaching, learning and assessment. Networking upgrades, new and additional computer equipment has promoted digital inclusion across all sites and specialist music software supports the delivery of a new level 3 pathway in Music Technology.
- In the FE Choices survey 2017/18, students reported exceptionally high levels of satisfaction with the quality of Teaching, Learning and Assessment and with how well they are treated by staff.
- The nationally published Outcome Based Success measures for 2015-16 show AEW students have significantly higher rates for all measures as compared with all Community Learning providers.
  - Sustained Employment rate for AEW students is 61% as compared with 56% for all ACL providers
  - Sustained Learning rate for AEW students is 21% as compared with 15% for all ACL providers
  - Sustained Employment Rate for Benefit students is 44% as compared with 40% for all ACL providers
- Overall achievement rates for all courses and all groups of students across all equality indicators are high and often well above the relevant benchmarks. Outstanding rates were achieved in: Entry Level 2 Functional Skills Maths, Entry 3 Level Caring for a Child, Entry Level 3 Functional Skills in English, Entry 3 Award in Life and Living Skills, Business and Administration courses at Level 1 and Level 2, GCSE Maths, Level 3 Diplomas in all Access to Higher Education pathways, Level 2 Certificate in Children and Young People's Workforce, Level 2 Certificate in Skills for Further Study, Level 2 Certificate in BSL, Level 2 Functional Skills English, Entry 3 and Level 1 Award and Level 2 Certificate in Creative Craft, Level 3 Diploma in Supporting Teaching and Learning in Schools, Level 5 Certificate in English Language Teaching for Adults (CELTA).
- Targeted marketing resulted in increased recruitment from priority areas and participation in priority provision at Level 3, Maths and English, Administration and Supporting Teaching and Learning in Schools at Level 2.
- *Management of the 38 continuing students in English and maths was poor*
- *Management of the study programmes for 16-18-year-old students was poor*
- *Pass rates in ICT Functional Skills were poor*

## 7.2 Areas for Improvement

- Improve management of continuing students in English and Maths
- Improve pass rates in ICT Functional Skills
- Improve management of young people's study programmes

## 8.0 Summary Data

### 8.1 Participation Data

	2016/17	%	2017/18	%
<b>Total leavers</b>	<b>7351</b>		<b>6193</b>	
<b>Students</b>	2752		2471	
<b>Men</b>	743	27	543	22
<b>Women</b>	2009	73	1928	86
<b>From white background</b>	1529	56	1186	51
<b>From minority ethnic background</b>	1233	44	1285	52
<b>Declared disability</b>	389	14	267	11
<b>Declared learning difficulty</b>	271	10	276	11
<b>Students from most deprived wards</b>	1422	52	1356	55

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- There has been a reduction in starts as a consequence of the planned strategy to offer larger, more intensive programmes to students to support their progress to further learning or employment within the ESFA allocation.
- Recruitment from priority areas and recruitment of priority groups remains high

### 8.2 Headline Achievement Rates

Funding Stream	2016/17				2017/18				Provider Benchmark Rate 16/17 %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %	
<b>16-18</b>	50	88	93	82	17	65	82	53	<b>72</b>
<b>19+ Skills</b>	3248	95	95	90	2700	96	94	91	<b>85</b>
<b>Community Learning</b>	3221	99	100	99	2428	99	99	98	<b>86</b>

- Achievement rates for 19+ provision remain high and well above the provider group rates.
- Full achievement of study programmes for 16-18 year olds continuing from 2016-17 to complete in 2017-18 was poor

## 8.3 19+ Adult Skills Achievement Rates by Sector Subject Area (Tier1)

Sector Subject Area (Tier 1)	2016/17				2017/18				Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %		
01 Health, Public Serv. & Care	138	90	100	90	103	96	97	93	90	3
02 Science and Mathematics	27	96	100	96	41	95	100	95	80	15
03 Agric. Hort. & Animal Care	99	100	100	100	66	97	100	97	91	6
06 Information & Comm. Technology	102	97	97	94	37	100	100	100	88	12
07 Retail & Commercial Ent	71	99	100	99	73	100	100	100	92	8
08 Leisure, Travel & Tourism	28	100	100	100	23	100	100	100	90	10
09 Arts, Media & Publishing	354	98	100	98	322	97	99	97	90	7
10 Social Science	17	72	100	71	9	100	100	100	76	24
11 Languages Lit. & Culture	177	96	98	94	154	92	97	88	84	4
13 Education & Training	65	97	100	97	108	100	100	93	87	6
14 Preparation for Life & Work	2040	95	92	87	1653	97	92	89	84	5
15 Business, Admin. & Law	129	98	96	95	111	97	94	91	85	6
<b>All 19+ ASB</b>	<b>3248</b>	<b>95</b>	<b>95</b>	<b>90</b>	<b>2700</b>	<b>96</b>	<b>94</b>	<b>91</b>	<b>85</b>	<b>6</b>

- Achievement rate for all areas are higher than the relevant benchmarks

## 8.4 19+ Adult Skills Achievement Rates by Level

Level	2016/17				2017/18				Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %		
1 (including Entry)	2845	96	95	91	2160	97	96	93	87	6
2	835	95	91	85	477	94	88	83	81	2
3	83	66	100	66	50	88	98	86	71	5
5	2	100	100	100	13	92	100	92	70	22

## 8.5 19+ Adult Skills Achievement Rates by Qualification Type

Qualification Type	2016/17				2017/18						Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %	Min. standard	Diff. %		
Access to HE	38	58	100	58	30	90	96	87	70	17	72	15
Diploma	13	85	100	85	15	100	100	100	70	30	82	18
Certificate	93	96	92	86	137	93	95	89	80	9	86	3
GCSE English and Maths	52	92	100	92	81	89	100	89	75	14	79	10
Award	313	98	96	95	225	96	96	92	80	12	90	2
ESOL	719	93	93	86	712	97	96	94	70	24	86	8
Basic Skills, maths and English	256	93	83	76	411	93	79	73	63	10	75	2
QCF Units	950	97	94	91	435	99	98	98	85	13	88	9
Other Regulated	11	100	100	100	76	99	91	75	70	5	79	4
Other non-regulated	802	98	100	98	578	98	99	98	85	13	94	4
All qualification types	3238	95	95	90	2700	96	94	91			85	6

- Achievement rates for all qualification types are well above the relevant threshold so 0% of AEW provision is below Minimum Standards
- 38 continuing students in English and Maths Functional Skills impacted on the overall achievement rate for this course type
- ICT Functional Skills pass rates were poor leading to achievement rate for non-regulated provision being below benchmark

### 8.6 Impact on 'Basic Skills, Maths and English' Achievement Rate of excluding students continuing from 2016-17

Qualification Type	Leavers	Achievement %	Provider Benchmark Rate 16/17 %	Difference %
<b>Basic Skills, Maths &amp; English</b> Achievement Rate excluding 38 Continuing Learners from 1617	373	78	75	3

### 8.7 Impact on 'Other Regulated' Achievement Rate of excluding ICT Functional Skills provision

Qualification Type	Leavers	Achievement %	Provider Benchmark Rate 16/17 %	Difference %
<b>Other Regulated</b> Achievement Rate excluding 52 FS ICT E3 & Level 1	24	96	79	17

## 8.8 Equality and Diversity

### 8.8.1 19+ Adult Skills Achievement Rates by Gender

Gender	2016/17				2017/18				Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %		
Male	811	95	95	90	632	95	93	89	86	3
Female	2437	96	94	90	2068	97	94	91	85	6
Achievement gap			0	0				2		

### 8.8.2 19+ Adult Skills Achievement Rates by Ethnicity

Ethnicity	2016/17				2017/18				Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %		
Asian - Indian	661	97	95	91	389	98	94	92	87	5
Asian - Other	113	94	93	85	184	98	94	92	84	8
Black - African	158	94	88	82	340	96	92	88	82	6
White - Other	120	95	95	91	340	97	96	93	86	7

### 8.8.3 19+ Adult Skills Achievement Rates by Disability/Learning Difficulty

Self-declared Disability/Learning Difficulty	2016/17				2017/18				Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %		
Disability	1025	97	96	92	781	97	96	93	85	8
No Disability	2090	95	94	89	1854	96	94	90	85	5
Achievement gap				3				3		

## 8.9 19+ Community Learning Achievement Rates (non- regulated)

Sector Subject Area	2016/17				2017/18				Provider Benchmark Rate 16/17 %	Difference %
	Leavers	Retention %	Pass %	Achievement %	Leavers	Retention %	Pass %	Achievement %		
01 Health, Public Serv. & Care	449	100	98	98	412	100	100	100	86	14
02 Science and Mathematics	0				160	98	99	98	86	12
03 Agric. Hort. & Animal Care	146	99	100	99	117	100	100	100	86	14
06 Information & Comm. Technology	16	100	100	100	110	99	100	99	86	13
07 Retail & Commercial Ent	148	99	100	99	102	99	100	99	86	13
08 Leisure, Travel & Tourism	433	100	100	100	231	99	100	99	86	13
09 Arts, Media & Publishing	590	100	100	100	353	100	100	100	86	14
10 Social Science	0				21	100	100	100	86	14
11 Languages Lit. & Culture	323	100	100	100	156	99	100	99	86	13
13 Education & Training	16	94	100	94	1	100	100	100	86	14
14 Preparation for Life & Work	1080	98	99	98	754	98	100	98	86	12
15 Business, Admin. & Law	20	90	100	90	11	100	100	100	86	14
<b>Total</b>	<b>3221</b>	<b>99</b>	<b>100</b>	<b>99</b>	<b>2428</b>	<b>99</b>	<b>100</b>	<b>99</b>	<b>86</b>	<b>13</b>

- Achievement rate for all areas are higher than the relevant benchmarks
  - Increased numbers of Preparation for Life and Work students are moving directly to regulated activity with appropriate support rather than completing an initial non-regulated preparation route
  - There has been a planned increase in recruitment to introductory Digital Skills provision

## 8.10 Wider Outcomes

### 8.10.1 Next Steps Survey 2017-18

This is a service wide survey, completed by 71% of in-scope students, during 2017-18. It is intended to provide measurable evidence of the impact of teaching learning and assessment on students' employment, personal, family and community developments. The survey also captures progression intentions. Key reported outcomes were:

- 93% reported a positive employment related outcome
- 70% reported increased personal confidence at the end of the course
- 45% reported improved social life
- 30% became more involved in their child's education
- 18% became more involved in their local community

<b>Service Summary</b>		<b>MAIN DATA</b>		<b>SUMMARY</b>		
<b>Based on 993 responses as at 15/10/2018</b>		Responses (993)		All responses		
Employment Related Outcomes	Got full-time employment	90	9%	324	33%	Actual employment outcome
	Got part-time employment	87	9%			
	Became self-employed	35	4%			
	Got a better job/promotion	112	11%			
	Got an interview for a job	125	13%	384	39%	Pre-employment outcome
	Started a traineeship	22	2%			
	Started an apprenticeship	8	1%			
	Got a work placement/internship	55	6%			
	Became a volunteer	174	18%			
	Get more job satisfaction	119	12%	206	21%	Employment related
	Stayed in active retirement	55	6%			
	Helped to cope with redundancy	32	3%			
	Other (not included in summary data)	91	9%			
	No response	79	8%			
Personal Development Outcomes	Increased personal confidence	693	70%			
	Increased enjoyment of life	449	45%			
	Improved social life	442	45%			
	More able to live independently	127	13%			
	Improved physical health	127	13%			
	Improved mental health	214	22%			
	Other (included in summary data)	96	10%			
	No response	35	4%			
Family & Community Outcomes	Became more involved in my child's education	297	30%			
	Became a governor or similar	28	3%			
	Became more involved in my local community	180	18%			
	Improved confidence in own parenting skills	224	23%			
	Encouraged others to take up learning	428	43%			
	Other (included in summary data)	482	49%			
	No response	174	18%			
	Stay unemployed - not ready to look for work	94	9%			
	Continue volunteering	88	9%			
	Stay retired / become retired	39	4%			
	Other (not included in summary data)	111	11%			
	No response	96	10%			



### 8.10.2 Next Steps - Intended Destinations

This is a service wide survey, completed by 71% of in-scope students, during 2017-18. It is intended to provide measurable evidence of the impact of teaching learning and assessment on students' employment, personal, family and community developments. The survey also captures progression intentions. Key reported outcomes were:

- 82% reported an intention to progress into further learning
- 32% reported an intention to continue in employment/self-employment
- 9% reported an intention to continue or start volunteering
- 26% said they would continue to look for employment

Future Learning	Enrol on a course with Adult Education Wolverhampton	630	63%	811	82%	Further learning
	Enrol on a part-time course at a different college	51	5%			
	Enrol on a full-time course at a different college	15	2%			
	Enrol on a Higher Education course	87	9%			
	Apply for an apprenticeship or traineeship	28	3%			
	Take a break from studying / learning	69	7%			
	Other (not included in summary data)	83	8%			
No response	59	6%				
Future employment	Continue my current full-time employment	181	18%	327	33%	Continue employment
	Continue my current part-time employment	113	11%			
	Continue my current self-employment	33	3%			
	Look for employment /self-employment	271	27%			

### 8.10.3 Observation of Teaching, Learning and Assessment

- 86 teachers were employed within the service as at May 2017.
- 58 were salaried staff on full or fractional contracts
- 28 were employed through YOO recruitment agency

The planning of classroom observations for 17/18 was based on agreed guidelines using a risk assessed approach.

- All observations are planned jointly by managers. Observers carry out inter and intra departmental observations to ensure robustness and objectivity.
- Managers timetable approximately 70% of staff for observations with an expectation that at least 65% are carried out.
- All new staff to the service are observed in the earliest window.
- All staff awarded a Grade 3 or 4 are re-observed within three months and receive coaching and mentoring to improve their practice and thereby grade.
- A minimum of 10% of observations are joint lesson observations.

Grade	2016-17		2017-18		Change
	Number	%	Number	%	%
Outstanding	24	37	21	35	-2
Good	37	57	38	63	6
Requires Improvement	3	4	1	2	-2
Inadequate	1	2	0	0	-2
<b>Total</b>	65	100	60	100	
<b>Good or better</b>	61	94	59	98	

8.10.4 FE Choices - Student Satisfaction Data

FE Choices Survey - Adult Skills Ratings on a scale of 1-10s	2016-17 All	2017-18 All	Change
Quality of teaching/training	9.2%	9.5%	↑
How you are treated by staff	9.4%	9.6%	↑
Advice on what to do next	8.6%	9.0%	↑
Support you get	9.1%	9.4%	↑
AEW at responding to learners' views	8.7%	9.4%	↑
Does your course meet your expectations?	8.8%	9.2%	↑
<b>Overall rating</b>	8.9%	9.3%	↑
<b>Would you recommend to family / friend?</b>	96%	97%	↑
Number learners participating	597	506	
Eligible learners	1,632	1,249	
% Eligible learners	37%	41%	↑

## 9.0 Student Comments

I like the nice relaxed atmosphere, which helps me to improve my work friendly and enthusiastic teacher, very welcoming it has been a very good experience.

OLD HALL STREET IS AN OLD, OLD BUILDING. THE HEATING SHOULD BE ON EVERY DAY IN THE COLDER MONTHS, NOT JUST WHEN SOMEONE REMEMBERS TO TURN IT ON. SMOKING SHOULD BE DISCOURAGED OUTSIDE THE BUILDING AS THE SMOKE GETS INTO THE CLASSROOMS THROUGH THE OLD, WOODEN WINDOW FRAMES.

This course is wonderful, everyone helps and supports each other. Beth our course tutor is patient, understanding, extremely helpful and kind. This course has exceeded it self. Brilliant. Even my parents commented that I seem more confident, which I put down to my teacher Beth Matthews and the girls at the Wednesday class. Big Thank You.

After taking redundancy I feel enrolling on this course has given me a new sense of direction to help with future job prospects.

Due to the confidence gained from my current studies, I was able to gain full time employ ment,

since being made redundant from my last job 3 months ago, Business Admin course has helped me to overcome losing my last job. I will work towards level 1 computer course and then apply for job in admin work.

DS. 21/11/17.

I have encouraged friends to look at courses to enrol on at the Adult Education

I am working as a volunteer at Bilston Resource Centre as a Reception Assistant. As part of my role, I book people onto educational courses and training. I also deal with enquiries about courses and training available.

I AM LOOKING FOR OFFICE BASED WORK AND THE COURSE HAS GIVEN ME THE SKILLS AND KNOWLEDGE TO LOOK FOR JOBS IN THIS AREA OR JOBS THAT INVOLVE ADMIN.

I feel that while attending college it has help to increase my personal confidence & social life inter-acting with fellow students. Also information I have learned on course has increased my knowledge of customer service & helped me to be work ready.

The staff and tutors are very good and understanding 10 ~~out~~ out of 10. Thank you.

INTERVIEW WITH THE CIVIL SERVICE. AT THE CROWN COURT IN WOLVERHAMPTON. POSITION WAS FOR A COURT USHER. THERE WAS ONLY ONE POSITION.

Since starting this course, I have found confidence to apply for a business administration apprenticeship

June 4<sup>th</sup> / not until september.

Has helped me improve my confidence and if I am successful with my courses, it will improve my employment prospects

Studying at Adult Education has helped me to get more knowledge in caring for a child. I'm really satisfied by doing this course.

I have been volunteering at a primary school since starting my course.

I was looking to personally mentor ~~child~~ and this course has given me the skills I need to commence my career in this area.

I completed my level 2 in 2017, and have stayed at the same school where I am now employed full time. I have completed my level 3 whilst in

This course has been enjoyable despite the level of the course, as it has been difficult at times. I'm thankful for the support I've received from my tutor and interpreter.

The course has rekindled my enjoyment of - and desire to learn more - foreign languages.

I work part-time (32 hours per week) in a warehouse. I intend to apply for a better job maybe an administrative job to apply what I have learnt. At the moment I am a full time carer for my youngest son who has lots of medical appointments and I am unable to work because of this.

CAREER FOR MOTHER BUT INTEND TO OWN MY OWN BUSINESS

I have really enjoyed level 2 - and would like to do level 3.

These courses provide me with a sense of self purpose and confidence in my skills, and abilities to pass all assessments. The social interaction and nice staff both teachers and assistants, have all been very positive.

I have increased my reading skills

QUANTITY OF TEACHING + SUPPORT IS EXCELLENT IMPROVES QUALITY OF LIFE AND DEALING WITH DEPRESSION

The aim of this course was to get a grade 4 in GCSE Maths which I really hope I do. This will secure a place at University for me to complete a PGCE Primary Education course commencing Sept 2018.

The course has prepared me enough to take the exam, I HOPE!

My study at Adult E has helped me during my university interview and also I increased my communication skills

I want to do access to higher education to gain entry to university and study nursing.

I would recommend this path of learning to anyone wanting to improve their education and life

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# AEW Quality Improvement Plan 2019

## Leadership and Management

### Key:

	Completed
	On-Track
	Not on-track but recoverable
	Significantly behind and of concern

### The overarching impact of the L&M QIP will be:

- Achievement rate for skills provision increased from 91% to 92%
- FE Choices student overall satisfaction to be maintained at 9.5
- Attendance to be raised from 85% to 88%
- Pass rate for skills to be raised from 94% to 96%

Amended 11/12/2018

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
<b>Development of resources to support teachers in promoting awareness of PREVENT and radicalisation with confidence.</b>	Review current resources available: evaluate, adapt and refine. Re-launch.	Resources readily available on intranet, well promoted.	SMT Service Managers Teaching Learning and Assessment managers Student Services staff  <b>Lead- Senior Manager, Curriculum and Quality</b>	May 19	Staff using resources developed with confidence to raise student awareness of PREVENT and radicalisation	
	Research resources available on-line and from other providers: evaluate and adapt. Launch.	Use checked and reported during OTLAs and Learning Walks as appropriate		May 2019 onwards		
	Plan and deliver staff development in use of resources identified and for sharing good practice	Teachers reporting increased confidence in using resources in teaching		July 2019		
	Gauge confidence of current workforce through short survey. Re-survey to ensure improvement.					
	Check staff and student understanding through themed learning walks					

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
Evaluation						
<b>2. Develop and implement strategies to ensure external progression opportunities are equally and consistently well-defined and promoted in all areas.</b>	Embed the recently developed bespoke service benchmarks (based upon Gatsby) for careers support	Service standards available and promoted to all students, parents, carers, teachers, employers and members of the Advisory Board	Student Services Manager	April 2019	Staff and students have a consistent understanding of the progression opportunities available to them	
	Review the external resources available to support progression towards/into employment	Multi-agency annual Progression Plan framework in place	<b>Lead : Head of service</b>	April 2019	Increased number of students accessing external progression opportunities	
	Review and refresh service website to promote external progression opportunities	Pilot progression event held		April 2019	Increased number of students moving into employment	
	Pilot progression event organised and held with partners and employers	Effective partnership working and employer linkages for employment and progression support embedded		June 2019		
	Pilot event review	Website for service reflects the range of external progression opportunities available		July 2019		
	Full Progression Plan for 2019/20 produced	Baseline survey framework in place for providing data on student progression		August 2019		
	Review current baseline data for student progression and agree future measures for students accessing external progression opportunities with partners			September 2019		
Evaluation						



Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status	
<b>3. Raise service-wide awareness of approaches to mental well-being of staff and students.</b>	Safeguarding staff to attend further training on mental health identification and strategies to support	Staff training delivered	Student Services Manager Continuing Education Manager  <b>Lead: Head of Service</b>	June 19	Staff and students have an understanding of mental health indicators for themselves and those around them and have some strategies for keeping themselves mentally well.  Increased opportunities for staff and students to engage in Health Builder programme for Wellbeing		
	Safeguarding staff to cascade mental health awareness training to teachers, academic managers and business support staff	Health Builder programme agreed, promoted and delivered					Impact evaluation carried out
	Roll-out Health Builder programme for students and staff. Review, adapt and evaluate impact.						
evaluation							
<b>4. Improve Additional Learning Support delivery to students at transition phases</b>	Review and evaluate process, procedure and paperwork in Additional Learning Support identification and delivery	Refined process and procedure in place	SMT Service Manager Quality/Exams/ Student Services Teaching Learning and Assessment Managers Quality and Education  <b>Lead- Senior Manager, Curriculum and</b>	March 2019	Swift, appropriate and timely access to high quality support for students presenting with specific learning difficulties (support in place within 1 month of identification of need)		
	Refine and remodel process, procedure and paperwork	Where there are current gaps, achievement rates for students receiving ALS are comparable with overall service rates		July 2019			
	Cascade new process to all managers and staff through CPD events and Weekly Catch up						

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
	Implement and monitor impact on student achievement and progression		<b>Quality</b>			
Evaluation						
<b>5. Improve management of students in English and Maths continuing their study from one academic year to the next</b>	Enrolments where a student has a planned end date in the following year to be only in exceptional circumstances	Amended curriculum models and timetables in place to ensure most students complete and achieve within an academic year.	CMs & TLAMs English, maths & Quality  <b>Lead- Curriculum Manager, Quality</b>	Sept 2018 onwards	Eradication of the 5% differential in 2017/18 between students completing their programme of study within year or across years	
	Plan curriculum offer to ensure appropriate qualification aims enable timely achievement within one academic year					
	Implement and evaluate the revised curriculum plan					
Evaluation						
<b>6. Improve pass rates in ICT Functional Skills</b>	Ensure overall learning goals and aspirations are discussed with students prior to enrolment and details recorded on Course Application form to ensure suitability of programme	Completed course application forms reviewed at TLAM paperwork health check	CM Quality, TLAMs Skills, Quality & ICT team  <b>Lead- Curriculum Manager, Quality</b>	Sept 2018	Improved pass rate from 65% to 80% - 2% above the Functional Skills national benchmark for like providers	
	Introduce an appropriate Skills Check to test language and comprehension skills	New comprehension Skills Check		January 2019		
		Completed Additional Learning Support forms		January 2019 onwards		

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
	Set up LDC sessions to support further learning for students at risk and ensure these students are aware of the requirement to attend ICT LDC session	Digital Skills progression data				
	Ensure Digital Skills courses prepare students for progression to Functional Skills	CPD plan				
	Teachers to participate in Awarding Organisation and any in-house CPD events to ensure up to date knowledge regarding delivery and assessment of qualifications	100% of staff attend Awarding Organisation CPD.			December 2018	
Evaluation						
<b>7. Improve management of young people's study programmes</b>	Define and agree a Young People's offer against the 16-18 allocation for 18/19	Young People's Plan agreed	Manager for MIS/Student Services/Teaching Learning and Assessment Managers /Teaching staff  <b>Lead- Curriculum Manager, MIS and Exams</b>	September 2018	Young People's achievement rates are improved to 5% above the national benchmark  16-18 allocation for 2018/19 is fully achieved	
	Promote and implement the AEW offer for young people across the Service.	Young people are offered appropriate provision and support or signposted to other providers		December 2018		
	Monitor student progress towards achievement of their full programme			Jan 2019		
	Monitor progress towards 16-18 allocation			Jan 2019		

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status	
Evaluation							
<b>8. Devise, agree and promote OTLA process and procedure for non-graded observations for 19/20</b>	Research ungraded models of OTLA used by range of ACL providers.	SMT agreement in place	SMT / Managers / Teaching, Learning and Assessment Managers / staff	Dec 2019	A more robust OTLA process that encompasses wider indicators of quality.		
	Consider implications of new EIF on observation approach						
	Present findings and recommendations to SMT and agree next stage.						
	Consultation with unions / teachers to agree model and implementation	New model agreed with stakeholders			April 2019	Ungraded OTLA process agreed within teachers' performance review and monitoring ready to be piloted	
	Hold awareness sessions for teachers and training for managers and observation teams on adopted model of appraisal.	Awareness sessions planned and delivered			April 2019		
	Pilot during first OTLA window in 19/20	New process piloted during first window 2019/20			May 2019		
Evaluation							
<b>9. Agree, promote and implement Informal learning plan for 18/19 to achieve a 30% increase in community learning</b>	Identify and agree a plan and targets prioritising activity in health and wellbeing and recruitment of priority groups from priority wards	Plan agreed and promoted across the Service	SMT/ CM, Continuing Ed, Service Managers Teaching, Learning and Assessment Managers / staff	December 2019	20% increase in Community Learning enrolments of priority groups from priority wards		

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
enrolments	Seek SMT approval for plan	Delivery plans in place  Informal Learning targets achieved  Impact data on students health and wellbeing and progression is collated, analysed and reported	Lead- Curriculum Manager, Continuing Education			
	Promote plan service wide through all standard information routes					
	Identify and engage with new partners / cohorts					
	Liaise with Service Managers to ensure appropriate teachers, resources and support are in place to meet the delivery needs identified					
	Monitor progress towards planned targets					
	Measure impact as appropriate					
Evaluation						
10. Agree, promote and implement Digital Skills plan 18/19 for staff and measure impact on student satisfaction with TLA	Identification of CPD need at departmental level through OTLAs and staff consultation	Department CPD records, minutes of team meetings	SMT, CM Digital Skills/ Learning Technologist, Service Managers Teaching, Learning and Assessment Managers / staff	January 2019  January 2019	Increased availability and use of Digital resources by staff and Departments. 15% Increased number of courses on VLE 30% Increased use by staff 15% Increased use by	
	Identification of CPD need at Service level through staff requests and team meetings					
	Review and evaluate digital technologies					

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
Page 366	available against identified need	<p>Department CPD plan and priorities promoted</p> <p>Staff feedback demonstrating increased knowledge, skills and confidence in using Learning Technologies</p> <p>Increased availability of digital technologies</p> <p>Student feedback demonstrating increased satisfaction with TLA delivery</p>	<b>Lead- Curriculum Manager, Access and Foundation Studies</b>	Feb 2019	<p>students</p> <p>Staff feedback in OTLAs and focus groups confirming increased knowledge, skills and confidence in using Digital Learning technologies.</p> <p>Positive Student feedback in themed surveys</p>	
	Recruit departmental e-mentor with appropriate skills to support development and delivery at department and Service level			January 2019		
	Confirm department CPD priorities and support delivery through e-mentor			Feb 2019		
	Confirm Service level projects to be developed and delivered by e-mentors group and led by Learning Technologist and CM Digital Learning			Feb 2019		
	Review and evaluate as appropriate			July 2019		
Evaluation						
<b>11. Agree, promote and implement English, maths and ESOL plan 18/19</b>	Agree and publish AEW English, Maths and ESOL Plan 18/19	Plan promoted	SMT, CM Communication Studies, Service Managers Teaching, Learning and Assessment Managers /staff	Jan 2019	Increased number of students following programmes of study	
	Review the initial assessment plan for English and Maths to include joint initial assessment results and enrolment sessions	Initial Assessment plan and core skills progression routes are published and timetabled		Jan 2019		

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
Page 367	Review the core skills progression routes to extend opportunities for Entry Level Language students to also develop and achieve Maths and ICT qualifications	CPD delivered and evaluated	<b>Lead- Curriculum Manager, Communication Studies</b>	Jan 2019		
	Timetable increased opportunities for English and ESOL students at Entry 3 and Level 1 to achieve technical qualifications whilst completing their language studies			Feb 2019		
	Plan and deliver CPD to appropriate teachers in implementing a co-delivery model and peer class visits			Jan/ Feb 2019		
	Measure impact			July 2019		
Evaluation						
<b>12. Implement and support the delivery of staff led CPD programme.</b>	Research a range of CPD models used by ACL providers	Briefing paper identifying options New model in place	SMT / Managers / Teaching, Learning and Assessment Managers / staff  <b>Lead- Curriculum</b>	Jan 2019	Improved ownership of development plan by staff and managers	
	Present findings to SMT and agree next stage.	Evaluation of CPD programme using agreed tool		Feb 2019		
	Consult with staff to agree delivery model			Feb 2019		

Intent	Implementation	Outcome measures	Responsible Managers	Expected completion	Impact	Status
	Hold awareness sessions for teachers and training for managers on adopted model.		<b>Manager, Quality</b>	Feb 2019		
	Implement new process			March 2019		
	Review impact of new process throughout academic year			July 2019		
Evaluation						



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