10 January 2020

To: Councillors Benson, Blackburn, Brookes, Burdess, Cain, Campbell, D Coleman, Critchley, Farrell, Jackson, Kirkland, Smith, I Taylor, L Williams and T Williams

The above members are requested to attend the:

EXECUTIVE

Monday, 20 January 2020 at 6.00 pm
in Committee Room A, Town Hall, Blackpool

AGENDA

1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

   (a) personal interest
   (b) prejudicial interest
   (c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

2 COUNCIL TAX REDUCTION SCHEME 2020/21

To consider and approve for the proposals for the Council Tax Reduction Scheme for 2020/21 for recommendation to the Council meeting on 12 February 2020.

3 PROPOSED RENT REVIEW 2020/2021

To consider and approve the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2020/21 for
recommendation to the Council meeting on 12 February 2020 as part of the Council’s budget setting process.

4 COUNCIL HOMES INVESTMENT PLAN 2020-2025 (Pages 215 - 256)

To consider the proposed new Council Homes Investment Plan 2020-2025 that sets out how the Council will invest in its existing homes and in building and acquiring new Council homes to help meet local housing needs.

5 MADAME TUSSAUDS ATTRACTION BUSINESS DEVELOPMENT (Pages 257 - 264)

To consider a proposal for a complimentary development within the Madame Tussauds attraction.

The report is public. However Appendix 5a includes information that would however undermine the Council’s position in continuing negotiations so at the time of publication this document is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

6 BEACH PATROL VEHICLE REPLACEMENT (Pages 265 - 270)

To consider the replacement purchase of a vehicle for the Beach Patrol.

7 FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2019/20 (Pages 271 - 324)

To receive the financial performance monitoring for the period ending 31 October 2019.

8 TREASURY MANAGEMENT HALF-YEARLY PROGRESS REPORT TO THE 30 SEPTEMBER 2019 (Pages 325 - 350)


Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

Other information:

For queries regarding this agenda please contact Lennox Beattie, Executive and Regulatory Manager, Tel: (01253) 477157, e-mail lennox.beattie@blackpool.gov.uk

Copies of agendas and minutes of Council and committee meetings are available on the Council’s website at www.blackpool.gov.uk.
COUNCIL TAX REDUCTION SCHEME 2020/21

1.0 Purpose of the report:

1.1 To provide an update on the impact of the Council Tax Reduction Scheme since its introduction in 2013/14 and to seek approval for the proposals for the Council Tax Reduction Scheme for 2020/21.

2.0 Recommendations:

2.1 To note the impact of the Scheme to date as set out in paragraphs 5.7 and 5.8.

2.2 To recommend Council to agree the Council Tax Reduction Scheme 2020/21 as set out in Appendix 2c.

2.3 To recommend to Council that the reduction applied to working age claimants remains the same as the 2019/20 Scheme agreed by Council on 30 January 2019 and that the main elements and method of calculating awards will be the same.

2.4 To recommend that the Council agrees to continue to operate a Discretionary Discount Policy to be awarded in cases of exceptional hardship as set out at Appendix 2a.

2.5 To note at this point in time the Ministry of Housing, Communities and Local Government may still issue changes to the known position for the National Pensioner Scheme. Required changes would be incorporated into the final Scheme presented for adoption at Council on 12 February 2020.

3.0 Reasons for recommendation(s):

3.1 To ensure a Local Council Tax Reduction Scheme is approved by 11 March 2020 and in place by 1 April 2020 avoiding the financial risks associated with the Government imposed default Scheme.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
3.2b Is the recommendation in accordance with the Council’s approved budget? 

Yes

3.3 Other alternative options to be considered:

None, a Council Tax Reduction Scheme must be approved by the Council each year.

4.0 Council Priority:

4.1 The relevant Council Priority is: “Communities: Creating stronger communities and increasing resilience”.

5.0 Background Information

5.1 The Welfare Reform Act 2012 abolished Council Tax Benefit (CTB); billing authorities were required to adopt a local Council Tax Reduction Scheme (CTRS) to take effect from 1 April 2013.

5.2 The Government grant for Council Tax Reduction Scheme was less than 90% of the Government forecast funding levels had Council Tax Benefit continued. This was expected to leave a shortfall in funding of £3.22m based on estimates of demand and assumptions regarding the basis of calculation for the central Government grant. The ongoing level of Government support meant the Council adopted a self-funding Scheme under which all working-age claimants had to pay at least 27.11% of their Council Tax in 2013/14. This has remained the case in subsequent years until the 2017/18 Scheme when it was agreed that additional support was provided to vulnerable groups and they had to pay 13.56%. These vulnerable groups are defined as:

- where someone in the household receives Disability Living Allowance or Personal Independence Payments
- where the applicant is a lone parent and who is responsible and resides with a child under 5 years old
- where the applicant or their partner receives Carer’s Allowance
- where the applicant or their partner is in receipt of a war pension, war widows pension, war disablement pension or equivalent.

5.3 For the 2018/19 Scheme the 13.56% reduction was extended to the following low income groups:

- applicants or partners receiving Income Support, or Income-Based Jobseekers Allowance, or Income-Related Employment Support Allowance.

5.4 For the 2019/20 Scheme, the 13.56% reduction was extended to the following groups:
• Ensure that applicants who are protected under the current Scheme continue to be protected to the same level of support when they move to Universal Credit
• Extension of the group of customers who pay 13.56% to claimants or partners who are:
  • in receipt of Jobseeker’s Allowance Contribution Based
  • in receipt of Main Phase Employment and Support Allowance and are in the Work Related Activity Group
  • in receipt of Maximum Universal Credit and is neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award (such as an Occupational Pension or other unearned income)
  • in receipt of Universal Credit which includes either the limited capability for work and/or work related activity

5.5 The initial 2013/14 funding was separately identifiable, but since then the monies have formed part of the overall total Revenue Support Grant (RSG). Analysis of the RSG would suggest that the initial £17.58m allocated for the Scheme would equate to approximately £5.1m in 2019/20 and 2020/21 due to the continued year-on-year reductions. This means that in order for the scheme to be self-funding now, the bottom-slice would need to be 113.6% for 2019/20 and 112.6% for 2020/21 (based on current Council Tax figures).

5.6 The Council Tax Reduction Scheme caseload has decreased since the introduction of the Scheme in 2013/14 as shown below:

<table>
<thead>
<tr>
<th></th>
<th>Working Age</th>
<th>Elderly</th>
<th>Total</th>
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<tr>
<td>2013/14</td>
<td>14,504</td>
<td>8,815</td>
<td>23,319</td>
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<tr>
<td>2014/15</td>
<td>13,781</td>
<td>8,407</td>
<td>22,188</td>
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<tr>
<td>2015/16</td>
<td>13,619</td>
<td>7,986</td>
<td>21,605</td>
</tr>
<tr>
<td>2016/17</td>
<td>13,385</td>
<td>7,589</td>
<td>20,974</td>
</tr>
<tr>
<td>2017/18</td>
<td>13,050</td>
<td>7,267</td>
<td>20,317</td>
</tr>
<tr>
<td>2018/19</td>
<td>12,930</td>
<td>6,901</td>
<td>19,831</td>
</tr>
<tr>
<td>2019/20</td>
<td>12,982</td>
<td>6,768</td>
<td>19,750</td>
</tr>
</tbody>
</table>

The change in caseload demographics is attributed to a number of factors. The Government’s increase in State Pension Age has meant that it is longer before a customer will be classed as “elderly“ and there is traditionally a lower take-up of benefits by this age group and they are viewed as a group with a higher level of assets.
5.7 The Council Tax Reduction Scheme has had a very significant impact on in-year Council Tax collection rates. In the last year of Council Tax Benefit, 2012/13, in-year collection rate was 95.5%. Since the Council Tax Reduction Scheme was introduced and 10,000 low income working-age households became liable to pay Council Tax, in-year collection has dropped each year. In 2018/19 collection was 92% with a 69.77% collection rate for Council Tax Reduction Scheme cases.

5.8 Collection is at a similar level so far in 2019/20, but a drop in ultimate collection and an increase in arrears is still anticipated. This increase in arrears has meant the Council’s share of the bad debt provision for Council Tax Arrears (including CTRS) has increased annually since the introduction of the Scheme and was £6.1m at 31 March 2019.

5.9 Court action can be taken against defaulting Council Tax payers. However, the numbers are limited at any hearing by restrictions placed by the court. Following the issue of a liability order at court an attachment of benefits can be requested. The amount that can be attached from benefits is restricted by legislation, currently £3.70 for most benefits except Universal Credit. This means that it is not usually possible to collect the Council Tax amount payable within the year it becomes due, which impacts on in-year collection rates. The attachment is administered by the Department for Work and Pensions and they can delay the process significantly.

5.10 The Blackpool Scheme incorporates the National Pensioner Scheme decided by Government. This ensures that support continues at the same level as existed under Council Tax Benefit. In Blackpool, pensioners currently account for 34.3% of the caseload.

5.11 For working-age claims there is a means-tested assessment, predominantly based upon the former Council Tax Benefit rules, to establish entitlement. A percentage reduction of 27.11% (13.56% for the groups shown in 5.2, 5.3 and 5.4) is then applied to the award at the end of the assessment.

5.12 The value of the percentage reduction is reviewed annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. It is proposed that for 2020/21 the value of the percentage reduction for other working age customers, who do not fall into the vulnerable or low income categories shown at 5.2, 5.3 or 5.4, should remain at 27.11%.

5.13 Does the information submitted include any exempt information? No

5.14 List of Appendices:

Appendix 2a: Discretionary Discount Policy
Appendix 2b: Equality Analysis
Appendix 2c: Council Tax Reduction Scheme 2020/21
6.0 Legal considerations:

6.1 A resolution by the full Council to adopt a Council Tax Reduction Scheme is required by 11 March 2020. The Scheme will take effect from 1 April 2020.

6.2 The Council Tax and Business Rates Discretionary Discount Policy has been reviewed and is attached at Appendix 2a.

7.0 Human Resources considerations:

7.1 Existing staffing resources within the Benefits Service are used to administer the Council Tax Reduction Scheme; however, it is apparent that there has been a considerable increase in face-to-face and telephone contacts, particularly when Council Tax bills are issued. The administrative and legal processes required to collect and recover substantial numbers of small amounts place an additional burden on available resources.

8.0 Equalities considerations:

8.1 The Equality Analysis that has previously been carried out for the Council Tax Reduction Scheme has been revisited and updated. This aims to mitigate the impact on protected groups and includes the continued availability of a discretionary hardship fund which has been made available through the adoption of a Discretionary Discount Policy. As part of their consideration of the Council Tax Reduction Scheme for 2020/21 an updated Equality Analysis is attached at Appendix 3b for Members to review.

9.0 Financial considerations:

9.1 For 2020/21 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall be 27.11% with the exception of those claimants who fall into the vulnerable or low income categories shown at 5.2, 5.3 and 5.4, who will be subject to a 13.56% reduction.

9.2 A review of the Scheme must be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. The Council will be required to approve the Scheme each year.

9.3 The Welfare Reform Act 2012 provided for a major overhaul of the benefits system. The Council Tax Reduction Scheme was implemented ahead of the commencement of Universal Credit. The new Scheme of Council Tax Reduction continues to run alongside Housing Benefit during the transition to Universal Credit. Housing Benefit
administration will then gradually diminish. Wider changes to existing benefits over
the last few years have meant customers on benefits have less money available to
pay their Council Tax liability. Whilst there is still an ambition to achieve full
collection, this is likely to take longer.

9.4 The 2020/21 Scheme remains unchanged from the 2019/20 Scheme, therefore no
additional cost is forecast.

10.0 Risk management considerations:

10.1 As part of the overall project management leading to the 2013/14 Scheme, a risk
workshop identified a number of risks. Actions required to mitigate those risks have
been identified and implemented where possible.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 As the main elements and method of calculating awards will remain the same for
2020/21, no consultation exercise is required.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 33/2019

14.3 If a key decision, is the decision required in less than five days? No

14.4 If yes, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to
be exempt from the call-in process? No

15.2 If yes, please give reason:
16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 10 January 2020

Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1
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Document number: 2.2
Document category: Original copy held within the Revenues and Benefits Service
Document location: Council Website
Issued by: Andrew Turpin / Louise Jones
Last edited: 29th October 2019

Record of Amendments

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<td>Added Retail Discount, Local Newspaper Relief, Relief for Community and Sporting Organisations, clarified part 5, and referenced Enterprise Zone relief</td>
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Approved By

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<td>Andrew Turpin</td>
<td>Head of Revenues &amp; Exchequer Services</td>
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<td>29th October 2019</td>
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<tr>
<td>Louise Jones</td>
<td>Head of Benefits and Customer Services</td>
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1. Introduction

Section 13A of the Local Government Finance Act 1992 (as amended) and sections 47, 48 and 49 of the Local Government Finance Act 1988 (as amended) empowers a billing authority to reduce the amount of tax payable.

Blackpool has adopted a local Council Tax Reduction Scheme from 1st April 2013, which replaced Council Tax Benefit. However it is likely that other circumstances will arise where the Council could consider a further discretionary reduction in exceptional circumstances. In addition local Businesses who are experiencing severe financial difficulties may request assistance in meeting the burden of local taxation.

Funding for such reductions must be provided by the Council. This policy sets out how the Council will use these powers and the criteria that must be satisfied.

The Council is committed to publishing the policy to ensure that the local taxpayers are aware of the policy and are able to quickly and easily apply for assistance.

Aims of the Discretionary Discount Policy

- Provide a mechanism for the Council to assist members of the community who are unable to meet the Financial burden of local taxation
- Helping residents in receipt of Council Tax Reduction who are unable to increase their income
- Alleviating poverty
- Helping those who are trying to help themselves
- Supporting people who are starting work
- Supporting the most vulnerable in the local community
- Helping customers through difficult personal events
- To ensure that no claimant or charge payer suffers any undue short-term disadvantage resulting from circumstances beyond their control
2. Policy Objectives and Action Plan

Objective 1: To ensure that assistance is available and accessible to members of the community most in need

- Ensure staff are aware of the policy and qualifying criteria
- Regular refresher training for assessment staff to promote proactive identification of potential cases
- Provide effective overview training on the policy and qualifying criteria on request to promote take-up and awareness in appropriate circumstances.
- Promote access to the scheme through continued development of the Blackpool Council website to ensure that up to date information is provided and that relevant forms and information can be downloaded.
- Ensure advice providers are aware of the policy and qualifying criteria.
- Promoting awareness to Members
- Promote the scheme to target groups, which may include:
  - Social and Private Sector Housing Tenants with significant arrears who may apply for a Discretionary Housing Payment (DHP).
  - Council Tax payers who have been issued with a summons.
  - People requiring assistance from the Emergency Planning response team.
  - Customers who are seeking Council assistance with debts
- Providing a facility to visit customers to assist them in making an application and provide supporting documents.
- Working closely with existing and new service partners and stakeholders to promote awareness of the policy.
Objective 2: To ensure discretionary discounts are only awarded when no other means of assistance is available.

- Ensure assessments of applications for local Council Tax Reduction incorporate a benefits maximization check.
- Ensure the applicant does not have income or capital which should be used to meet the liability.
- Signpost customers who do not meet the criteria to appropriate alternative advice services
- Conduct a regular review of the policy to ensure it is fit for purpose.
- Ensure a robust review procedure is in place to ensure decisions are independent, fair and consistent.
- Ensure publicity is available to encourage customers to claim other benefits they are entitled to and where to access debt advice and money management tools.
- Ensure other sums owed to the Council (e.g. sundry debts, Housing Benefit overpayments) are reviewed and reduced repayments agreed where appropriate
- Ensure a Discretionary Housing Payment for Housing Benefit is awarded if appropriate
- Ensure recovery action is delayed where appropriate
- Awards will be tailored to match need. The period and amount of an award will be determined based upon the circumstances in each case.
- Awards will only be made for a period relating to the financial year in which the application is made.
- Awards may be reviewed at any time and may be revised, reduced or withdrawn if it is found that the circumstances of the applicant have changed and the award is no longer appropriate.

Objective 3: To monitor and evaluate the administration of the policy to ensure that the service reflects the needs of the community

- Monitor of fund spending by monthly recording and reporting of expenditure provided to Senior Management.
- Conduct a regular review of income and expenditure forms used.
- Conduct a regular review of the policy.
- Review the outcome of requests for reconsideration to improve guidance and methodology.
- Respond to feedback on processes and procedures from partners and stakeholders.
3. Discretionary Discount - Customers in receipt of local Council Tax Reduction

Blackpool Council adopted a local Council Tax Reduction Scheme effective from 1st April 2013. During the development of the scheme the Councils’ Equality Analysis identified that certain groups affected by the reduction in support would be unlikely to be able to increase their income.

For an award of this type of discretionary discount to be made, the applicant must be:

- In receipt of Council Tax Reduction; and
- Have a shortfall between the level of Council Tax Reduction and their council tax liability; and
- In the opinion of the Council, be in need of further assistance with Council Tax in accordance with the qualifying criteria.

Requests for further reductions in Council Tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf.

Each case will be considered on ‘its merits’ however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a further reduction in Council Tax liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- All other eligible discounts/reliefs have been awarded to the customer.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources.

Decision making process

Stage 1: The initial request will be dealt with by a Decision Maker (Senior Benefits Assistant, Senior Benefit Specialist or Team Manager) who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: A Senior Benefits Manager will authorise the decision.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.
**Review of decision/re-determination requests**

The Council will accept an applicant’s written request for a redetermination of its decision.

**Stage 1:** The original decision and any additional information provided will be reviewed by a different Decision Maker who will recommend either to confirm or amend the original decision.

**Stage 2:** The Head of Benefits and Customer Services, or The Head of Revenues and Exchequer Services, will consider the application for review and the recommendation and determine whether to award a discretionary discount.

**Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A(1)(a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.
4. Discretionary Discounts – Customers not in receipt of local Council Tax Reduction

Requests for reductions in Council Tax liability will be required in writing from the customer, their advocate/appointee or a recognised third party acting on their behalf.

Each case will be considered on ‘its merits’ however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a reduction in Council Tax Liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- The customer is not entitled to an award under the local Council Tax Reduction Scheme.
- All other eligible discounts/reliefs have been awarded to the customer.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources.

Decision making process

**Stage 1:** The initial request will be dealt with by a Revenues Manager who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The decision will be authorised by a different Revenues Manager.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision.

**Stage 1:** The original decision and any additional information provided will be reviewed by a different Revenues Manager who will recommend either confirming or amending the original decision.

**Stage 2:** The Head of Revenues and Exchequer Services, or The Head of Benefits and Customer Services will consider the application for review and the recommendation and determine whether to award a discretionary discount.
Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A(1)(a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.
5. Discretionary Relief - Business Rates

The Council may award Business Rates relief on any cases where it has been asked to do so, and where the award would be clearly in the interest of the local Council Tax payer.

The relief is available pursuant to s.47 of the Local Government Finance Act 1988, as amended by s.69 of the Localism Act 2011, and decisions are to be made on a case by case basis and dependant on the individual facts. This is often referred to as ‘Localism Relief’.

As Blackpool Council is a unitary authority and subject to a pilot for rates retention, any award will be funded 74% by the Blackpool Council Tax payers, 25% by Central Government, and 1% by the Lancashire Fire Authority.

Each case will be considered on its merits however all of the following criteria should be met:
- it must be in the interest of the Council and community for the local authority to grant a reduction, and
- all other eligible discounts/reliefs have been awarded to the ratepayer.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources.

Decision making process

Stage 1: The Decision Maker (Principal Revenues Manager or Head of Revenues and Exchequer Services) will make a recommendation to the Director of Resources, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Director of Resources will consider the application and the recommendation to determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision if there is relevant new information available on which to reconsider the original decision.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.
6. Relief relating to organisations established for Sporting and Community Purposes

Pursuant to s.47(3) and s.47(5) of the Local Government Finance Act 1988 (as amended) the billing authority may make an award of up to 100% for charities and other organisations, where the following conditions apply:

- a ratepayer is a charity or trustees of a charity, and the hereditament is wholly or mainly used for charitable purposes, or
- the ratepayer is a community amateur sports club and is wholly or mainly used for the purposes of the club and other such clubs, or
- all or part of the hereditament is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and whose main objectives are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the arts, or
- the hereditament is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

The billing authority may make a decision to grant relief, only if it is satisfied that it would be reasonable to do so, having regard to the interests of the Blackpool Council Tax payers.

The below is intended only as a guide when considering applications for discretionary relief, and each case will be considered on its own merit, but the Councils expects any application for relief to cover the following points:

**Community Organisations**
- the organisation is not part of a charging or precepting authority, and
- the organisation has been specifically set up for the benefit of the young, the aged, the disabled or for ethnic minorities, or
- the property is for the general use of the local community without any membership and/or subscription requirements and has no specific use except for the general benefit of the community, or
- the property is used for the housing of vehicles used only for offshore emergency purpose, or
- the aims of the organisation are to educate volunteers in emergency training for the benefit of the local community.

**Sporting Organisations (including Community Amateur Sports Clubs)**
- the membership is open to all sections of the community, and
- they do not restrict membership on the grounds of ability or the availability or their facilities, and
- whose membership levels are not set at such a rate to preclude membership by all sections of the community, and
- who provide outside sporting activities, and
- who actively encourage participation by young people, and
• who make their facilities available to people other than members e.g. to schools or casual public sessions, and
• whose main aim is sporting rather than social, and
• whose membership mainly reside in the Blackpool Borough (e.g. more than 50%)

Retail premises operated by a registered charity which have been granted mandatory rate relief may, in exceptional circumstances, receive a further discretionary award of up to 100%. The Council will consider the merits of each case but such an award is likely to be the exception rather than the rule.

**Responsible officer**

The responsibility for making discretionary decisions will rest with the Director of Resources, who will discharge this responsibility by the following process:

**Decision making process**

**Stage 1:** The decision making process will involve the Principal Revenues Manager or the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Director of Resources will consider the application and the recommendation and determine whether to award a discretionary discount.

**Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

**Review of decision/re-determination requests**

The Council will accept an applicant’s written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Director of Resources will consider the application for review and the recommendation and determine whether to award a discretionary discount.

**Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.
7. Hardship Relief

In very exceptional circumstances the Council may award relief on a Business Rates bill in cases where it is satisfied payment of the bill will cause a business severe hardship.

The Council will only consider an award where it is evident that doing so would be in the interests of the wider community. This can be because failure to grant the relief would result in the loss of a unique and regularly required service, and/or because the failure to grant relief would directly result in a significant loss of jobs in the local community.

Hardship Relief is available pursuant to s.49 of the Local Government Finance Act 1988. The relief is designed for a local authority to provide discretionary assistance in exceptional and/or unexpected circumstance, but not to prop up a fundamentally failing business. Decisions are to be made on a case by case basis and dependant on the individual facts.

As Blackpool Council is a unitary authority and subject to a pilot for rates retention, any award will be funded 74% by the Blackpool Council Tax payers, 25% by Central Government, and 1% by the Lancashire Fire Authority.

The Council may award hardship relief as a percentage of the total amount due, or as a single monetary value.

There are no time limits to the award of hardship relief, but the relief is considered to be a ‘one-time’ award. There is no requirement for the Council to award this relief periodically.

In order to consider an award the applicants shall provide the following:

- Details of the unique and regularly required service provided.
- Details of how much is outstanding.
- Details of their current financial circumstance, including details of any assets or security held, and including details of debts owed to other creditors.
- Copies of their latest audited accounts.
- Details of the company, such as the product sold, the customer base, numbers in the workforce.
- The reason why they cannot pay their bill.
- How much relief they require.
- An assumption of what would happen if no assistance was provided by the Council.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources.

Decision making process

Stage 1: The Principal Revenues Manager or The Head of Revenues and Exchequer Services will make a recommendation to the Director of Resources, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Director of Resources will consider the application and the recommendation to determine whether to award a hardship relief.
Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision where there is new information available on which to reconsider the original decision.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination. Following the re-determination of a request for a discretionary award there is no further right of appeal.
8. Temporary Part Occupation Relief

The Ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Under s44A of the Local Government Finance Act 1988, where a property is partly occupied for a short time the Council has discretion to request that the Valuation Office apportion the rateable value of a property between the occupied and unoccupied parts; thereby reducing the amount payable.

Applications must be made in writing and supported by:
- A completed application form
- Detailed maps which outline the whole property and indicate the partly occupied section.
- Details of the planned period of time for the part occupation.
- Details of future intentions.
- Details of the cause for the part occupation.

A site visit will normally be undertaken. Where necessary the ratepayer may be required to provide additional information to support their application.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources.

Decision making process

Stage 1: The Principal Revenues Manager or The Head of Revenues and Exchequer Services will make a recommendation to the Director of Resources, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Director of Resources will consider the application and the recommendation to determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision where there is new information available on which to reconsider the original decision.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination. Following the re-determination of a request for a discretionary award there is no further right of appeal.
9. Retail Discount

The Government announced in the 2018 Budget that it will provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount should be one third of the bill, and must be applied once mandatory reliefs and other discretionary reliefs have been applied.

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

What constitutes retail usage

We consider shops, restaurants, cafes and drinking establishments to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public:
- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public:
- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:
- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
Discretionary Discount Policy

9. Retail Discount

To qualify for the relief the hereditament must be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. This is a test on use rather than occupation, therefore hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

What does not constitute retail usage

The list below sets out the types of uses which we do not consider as being eligible for the purpose of this relief, and will therefore not qualify under this scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

Hereditaments which are not reasonably accessible to visiting members of the public

- Premises where membership is required to gain entry (e.g. affiliated social clubs)
- Premises where payment is required to gain entry

Hereditaments which are inconsistent with the Health & Wellbeing Strategy for Blackpool

- Premises used for the sale of psychoactive substances (also known as legal highs)

Generally speaking, for the purpose of this policy we do not consider other assembly or leisure uses beyond those listed at above to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount, as are hotels and similar accommodation. Where there is doubt, we will exercise discretion with reference to the above and our knowledge of the local tax base.

Amount of relief available

The total amount of government-funded relief available for each property for 2019-20 and 2020-21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. There is no relief available under this scheme for unoccupied properties, or properties with a rateable value of £51,000 or more.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.
A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

**Responsible officer**

The responsibility for making discretionary decisions will rest with the Director of Resources.

**Decision making process**

In accordance with Government Guidance for the administration of the scheme, and to assist local businesses, the s151 Officer has agreed that the Council may make a number of assumptions with regard to eligibility to ensure relief is awarded to qualifying businesses as soon as possible.

Businesses awarded relief will be advised to inform the Council if they do not qualify for relief as a result of exceeding State Aid limits. Should a ratepayer believe they are entitled to the relief and it has not been awarded, an application form will be provided and relevant enquiries undertaken to determine eligibility.

Where an application form is sent and a response is received, a Revenues Manager will review eligibility and seek a decision from the Director of Resources.

**Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

**Review of decision/re-determination requests**

The Council will accept an applicant’s written request for a re-determination of its decision where there is new information available on which to reconsider the original decision.

**Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination. Following the re-determination of a request for a discretionary award there is no further right of appeal.
10. Enterprise Zone Relief

The Council’s Executive approved the joint Enterprise Zone Business Rates Relief Policy on Monday 18\textsuperscript{th} July 2016. The policy allows for relief to be applied (up to state aid limits) where business moves into the designated Enterprise Zone before 2022, subject to qualifying criteria. The policy is published on our website at www.blackpool.gov.uk.

This is a joint policy between Blackpool Council, Fylde Borough Council and Wyre Borough Council.
11. Revaluation Relief

Central Government is keen that in certain cases, assistance should be provided to businesses which have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.

The following sections cover all aspects of the Discretionary Business Rates Relief scheme “Revaluation Relief” which is available from 1st April 2017. Where businesses apply for relief they will be granted (or not granted) relief in line with the following policy.

Legislative Background

To be considered for the following discretionary relief schemes ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information, evidence, certificates etc. as required in order to determine whether relief should be awarded.

The Council will consider carefully every application on its merits. There is no statutory appeal process or Tribunal against any decision made by the Council. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.

This policy document covers the granting of awards under the Revaluation Relief which covers a period of 12 months from 1st April 2019. The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council’s approach to granting Government led Discretionary Relief schemes

Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under s47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

In the case of Revaluation Relief, Central Government is keen that individual Councils develop their own scheme to meet local needs. Government has allocated funds to the Council using a particular methodology, but it has been keen to point out that this should have no bearing on the actual scheme adopted by the Council.

Effect on the Council’s Finances

In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their
business rates bills as a result of the revaluation, known as Revaluation Relief. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.

Every authority within England is to be provided with a share of the fund to support their local businesses. This is to be administered through billing authorities’ discretionary relief powers under s47 of the Local Government Act 1988. The full effects of the financial allocation are shown below.

The allocation of monies to authorities and the methodology of the funding award is completely separate to the scheme itself and Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies.

Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend cannot be transferred from one year to the next.

A key criteria of reimbursement will be that the Council will consult with its major precepting authority when formulating its scheme.

The level of funding allocations in respect of the Discretionary Business Rates Relief Scheme are shown in the following table:

<table>
<thead>
<tr>
<th>Amount of discretionary fund awarded (£000s) – Blackpool Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
</tr>
<tr>
<td>229</td>
</tr>
</tbody>
</table>

Discretionary Relief – EU State Aid requirements

European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.

Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.

Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).

Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.

In all cases, where discretionary relief is to be granted or where liability is to be reduced, when making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

European Union competition rules regarding state aid requirements may change when the United Kingdom exits the European Union.

Administration of Discretionary Relief – General approach

Applicants may be required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.

The Council will provide this service and guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.

Where an application is successful, then the following will be notified to them in writing:

- The amount of relief granted and the date from which it has been granted;
- If relief has been granted for a specified period, the date on which it will end;
- The new chargeable amount.

Where relief is not granted then a notification of the decision will be provided, in writing.

Revaluation Relief is to be granted from the beginning of the financial year in which the decision is made. Decisions can be made up to 6 months after the end of the financial year for which the application was made, but if an application is made after this time it will not be considered.

A fresh application for discretionary relief will be necessary for each financial year or at such time-period as the Council determines.

Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge or a change in the Council’s decision which increases the award – this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate;
- Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; and
- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year

A decision may be revoked at any time.
Consultation

The Council has consulted with its preceptors in relation to its Revaluation Relief scheme and has taken their comments into account when determining the eligibility criteria.

The grant determination for Revaluation Relief states that a condition of the fund is that consultation is undertaken with ‘relevant authorities’. Relevant authorities for the purpose of this scheme means any major precepting authority.

In the case of Blackpool Council the precepting authority has been consulted, namely the Lancashire Fire and Rescue Service.

Revaluation Relief Scheme

The Council has decided that reliefs under the Revaluation Relief scheme will be awarded using the following criteria:

a) The scheme is designed to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their Rateable Value;

b) Relief will not be granted where a hereditament has a rateable value of £500,000 or more at 1st April 2017 and where the increase calculated in section (d) is less than 10%;

c) Relief will not be awarded where mandatory relief or Supporting Small Businesses Relief are granted or the hereditament is within the Business Rates Relief qualifying area of a designated Enterprise Zone;

d) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
   • The rate liability of the ratepayer at 31st March 2017 after any reliefs and reductions; and
   • The rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief within this policy;

e) Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises;

f) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on 1st April 2017 and for each day subsequently.

g) Ratepayers taking up occupation after the 1st April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation;

h) Relief may be awarded for more than one premises as long as all other criteria are met;

Relief will not be awarded where:

• the ratepayer has been awarded a reduction under s44a of the Local Government Finance Act 1988; or
• the hereditament occupied by a Billing or Precepting Authority (known as excepted hereditaments).
• the hereditament has a subsequent increase in Rateable Value after the 1st April 2017 which takes it out of the scope of this scheme; or
• the hereditament is used for any of the following purposes:
  a) hospitals, health centre’s or doctors/GP surgeries; or
  b) banks and building societies, including separately rated cash machines and ATM’s;
The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application.

A standard percentage reduction in the value of the rates payable will be applied to all eligible applicants, that rate to be determined by the level of available funding during the year.

The amount of relief awarded under these schemes will be recalculated in the event of a change of circumstances. In effect relief is calculated on a daily basis in line with the ratepayer’s liability on that day. This will include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the Council to provide ratepayers with at least one year’s notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and in any event not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

**Decisions by the Council under this scheme**

Any application will be considered against the criteria listed in this document, and it must be in the interest of the Council and community for the local authority to grant a reduction.

The responsibility for making discretionary decisions will rest with the Director of Resources.

Additional information may be required by the Council in order that a decision can be made.

**Decision making process:**

**Stage 1:** The Principal Revenues Manager or Head of Revenues and Exchequer Services will make a recommendation to the Director of Resources, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Director of Resources will consider the application and the recommendation to determine whether to award a discretionary discount.
Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision where there is new information available on which to reconsider the original decision.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination. Following the re-determination of a request for a discretionary award there is no further right of appeal.
12. Fraud

Where a ratepayer falsely applies for any relief or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.
Equality Analysis (EA) (formally Equality Impact Assessment) Record Form 2020/21

Department: Benefits and Customer Services

Team or Service Area Leading Assessment: Benefits

Title of Policy/ Service or Function: Working Age Council Tax Reduction Scheme Equality Assessment

Lead Officer: Louise Jones

STEP 1 - IDENTIFYING THE PURPOSE OR AIMS

1. What type of policy, service or function is this?

New/ proposed policy

2. What is the aim and purpose of the policy, service or function?

From April 2013, as part of the government’s Welfare Reform agenda, Council Tax Benefit was abolished and replaced with a locally determined Council Tax Reduction (CTR) Scheme. Pensioners continue to be protected at their existing levels of benefit under a national scheme whilst new schemes were set up for Working Age customers at a Local Authority level. Under this system, it is billing authorities who decide who is eligible to get support and the support will be awarded by way of a Section 13A Council Tax discount. The grant provided by the Government continues to be reduced; Local Authorities will therefore have to manage the reduction in funding in developing local Council Tax Reduction Schemes and will have to ensure that their scheme also covers the impact of any future increase in Council Tax Support recipients.

Blackpool Council continues to operate under three major constraints:

1. The cut in funding (which may in practice be higher if demand for support increases in the future).

2. The desire to protect vulnerable groups and the exhortation to do this by the Government (as set out in “Localising Support for Council Tax: Vulnerable people – key local authority duties” published by the Department of Communities and Local Government in May 2012).

3. The desire to incentivise work and not contradict the incentives to work in the forthcoming Universal Credit (as set out in “Localising Support for Council Tax: Taking work incentives into account” published by the Department of Communities and Local Government in May 2012).

The Government has stated (in the above document on vulnerable people) that they do not intend to prescribe the protection that local authorities should provide for vulnerable groups other than pensioners. Rather the guidance reminds local authorities to have due regard to how their local scheme may impact on people based on the following:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
The above guidance refers to specific legislation that local authorities should have due regard to when designing their local scheme. This includes:

- The Equality Act 2010 (particularly the Public Sector Equality Duty)
- The Child Poverty Act 2010 (duty to mitigate the effects of child poverty)
- The Housing Act 1996 (duty to prevent homelessness)

In addition, it advises that local authorities consider the impact under The Armed Forces covenant published in May 2011.

The local scheme will set out:

- the classes of person who are entitled to a reduction
- the reductions which are to apply to those classes
- the procedure by which a person may apply for a reduction.

The timetable for development of the 2020/21 Equality Analysis is shown below and is updated to consider the impact of the Scheme and any changes to it.

<table>
<thead>
<tr>
<th>Action</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop first draft of the scheme</td>
<td>Jun 2019 - Jul 2019</td>
</tr>
<tr>
<td>Start Equality Analysis based on proposed scheme</td>
<td>Jul 2019 – Oct 2019</td>
</tr>
<tr>
<td>Develop EA Action Plan to mitigate impact of the changes</td>
<td>Oct 2019</td>
</tr>
<tr>
<td>Send EA with Council Report to decide the scheme</td>
<td>Nov 2019</td>
</tr>
</tbody>
</table>

3. Please outline any proposals being considered.

Continue with the existing 2019/20 scheme, ensuring the scheme is cost neutral to the Council with continued reduced support for working age claimants of 27.11% except for people in the following categories, who have reduced support of 13.56%:

- Where someone in the household receives Disability Living Allowance or Personal Independence Payments.
- Where the applicant is a lone parent and who is responsible and resides with a child under 5 years old.
- Where the applicant or their partner receives Carer’s Allowance.
- Where the applicant or their partner is in receipt of a war pension, war widows pension, war disablement pension or equivalent.
- Where the applicant or their partner receives Income Support, or Income-Based Jobseekers Allowance, or Income-Related Employment Support Allowance.
- Ensure that applicants who are protected under the current Scheme continue to be protected when they move to Universal Credit
- Extension of the group of customers who pay 13.56% to claimants or partners who are:
  - in receipt of Jobseeker’s Allowance Contribution Based
  - in receipt of Main Phase Employment and Support Allowance and are in the Work Related Activity Group
  - in receipt of Maximum Universal Credit and neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award (such as an Occupational Pension or other unearned income)
  - in receipt of Universal Credit which includes either the limited capability for work and or/work related activity
4. What outcomes do we want to achieve?

A framework to provide Council Tax Reduction with the following objectives:

- Continue with a scheme similar to the current scheme in terms of eligibility criteria to determine who will receive support.
- Introduce a scheme to support work incentives and in particular, avoid disincentives to move into work.
- Introduce a scheme which achieves the required savings and allows room for future take-up of the discount.
- Introduce a scheme which is cost effective to administer.
- Introduce a scheme where the impact can be assessed and future adjustments can be made.

5. Who is the policy, service or function intended to help/ benefit?

Each billing authority in England must design a scheme specifying the reductions which are to apply to amounts of council tax support payable in respect of dwellings situated in its area by:

- Persons of working age whom the authority considers to be in financial need; or
- Persons of working age in classes consisting of persons whom the authority considers to be, in general, in financial need

6. Who are the main stakeholders/ customers/ communities of interest?

The main stakeholders are:

- The Preceptors e.g. Lancashire Fire & Rescue Service, Lancashire Police Authority
- Any resident who is liable to pay Council Tax
- Any current Working Age Council Tax Benefit customers
- A range of 3rd party organisations providing support and advice to a wide range of customers

7. Does the policy, service or function have any existing aims in relation to Equality/ Diversity or community cohesion?

The main scheme will continue with the aims as set out in previous years Equality Analysis as no changes are proposed for 2020-21.

STEP 2 - CONSIDERING EXISTING INFORMATION AND WHAT THIS TELLS YOU

8. Please summarise the main data/ research and performance management information in the box below.

Data/ information

The main performance information to assist in the design of the Council Tax Reduction scheme will be databases and statistics held for the following purposes:

- Billing and Recovery of Council Tax
- Awarding Council Tax Reduction
- Census data including index of deprivation
Benefits caseload data to establish trends
• Information held by the Office of National Statistics

**Research or comparative information**

Local authorities have clearly defined responsibilities in relation to, and awareness of, the most vulnerable groups and individuals other than pensioners in their areas. This includes responsibilities under:

- **The Child Poverty Act 2010**, which imposes a duty on local authorities to have regard to and address child poverty and their partners, to reduce and mitigate the effects of child poverty in their local areas.
- **The Disabled Persons Act 1986**, and **Chronically Sick and Disabled Persons Act 1970**, which include a range of duties relating to the welfare needs of disabled people.
- **The Housing Act 1996**, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.

**Local evidence (as at Oct 18):**

**Population**

Blackpool has a resident population of 139,870, some 36,724 (26.3%) of which are aged 60 and over. There are 69,540 properties in Blackpool. It is a dense urban area with high levels of deprivation, workless households, and poor health in the resident population.

**Deprivation**

Blackpool ranks as the most deprived local authority in England in terms of average deprivation scores. It has 94 LSOAs of which 35 (38%) rank in the most deprived nationally. Health deprivation is much higher than average and over half of areas are in the most deprived 10% for Health nationally.

**Housing**

The number of households in Blackpool is just over 69,000, with a high percentage of private rented dwellings, and slightly lower owner occupation:

- 62% - owner occupied (England: 62.6%)
- 26% - privately rented (England: 20.3%)
- 11% - social rented (England: 17.1%)

**Household Composition**

The households in Blackpool have a slightly higher proportion of lone parent families and lone adults (both over 65 and under 65) than England.

**Household types**

- 15% - lone adults over 65 years (England: 13.9%)
- 23% - lone adults under 65 years (England: 14.4%)
- 13% - lone parent families (England: 9.8%)
- 8% - single families with all adults over 65 (England: 8%)
35% - single families cohabiting/married with all adults under 65 (England: 43%)

Disability

10,100 (11.8%) of working age residents claim employment support allowance and a further 2,587 of working age residents claim disability living allowance (3%). The ESA proportion is over double that for England as a whole.

Child Poverty

26.8% of all children in Blackpool live in low income families, around 8,235 children in total.

Pension Credit

Blackpool has 3,311 claimants in receipt of Pension Credit Guarantee Credit only, and 2,416 claimants in receipt of both Guarantee Credit and Savings Credit, equivalent to 84% of claimants (Nationally 82.9%)

Means-tested claimants in receipt of Pension Credit ‘Savings Credit’ Only is much lower at 1,093 claimants compared, equivalent to 16% of claimants (Nationally 17.1%)

As a proportion of the population, 23.5% of the 65+ age group claim pension credit, much higher than England at 14.3%.

Blackpool Child Poverty Needs Assessment

The child poverty framework set out a series of potential indicators on poverty and surrounding issues. Information below presents a summary of all available indicators and some additional context.

The local area child poverty measure is the Children in Low-Income Families Local Measure produced by HMRC and is "children living in families in receipt of out-of-work benefits or in receipt of tax credits with a reported income which is less than 60% national median income."

2015 position (latest release)

8,235 children in Blackpool live in low income families.
This accounts for 26.8% of all children
Blackpool ranks equal 6th highest in England.

Changes since 2013
Overall, in percentage terms, Blackpool has seen a small reduction in the proportion of children in poverty between 2013 and 2015. Reducing from 8,730 (28.1%) in 2013 to 8,235 (28.1%) in 2015.
Despite this improvement, Blackpool ranked more poorly nationally. From 21st highest in 2011 to 14th in 2012, 12th highest in 2013 to equal 6th in 2015. This is because while Blackpool rates have reduced at a smaller rate than the average reduction across all Local Authorities so other areas have improved at a faster rate.

Ward Distribution

All wards have some children living in poverty.
Bloomfield, Claremont and Brunswick wards each have more than 40% of children in poverty.

Bloomfield ward ranks as having the 3rd highest level of children in poverty in England.
The following table outlines the proportion of children in low-income families by ward.

<table>
<thead>
<tr>
<th>Ward</th>
<th>Proportion of Children in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norbreck</td>
<td>8.3%</td>
</tr>
<tr>
<td>Squires Gate</td>
<td>12.7%</td>
</tr>
<tr>
<td>Bishopton</td>
<td>14.4%</td>
</tr>
<tr>
<td>Marston</td>
<td>14.6%</td>
</tr>
<tr>
<td>Backworth</td>
<td>15.3%</td>
</tr>
<tr>
<td>Goodshaw</td>
<td>16.0%</td>
</tr>
<tr>
<td>Standley</td>
<td>17.0%</td>
</tr>
<tr>
<td>Greenhills</td>
<td>17.0%</td>
</tr>
<tr>
<td>Highbury</td>
<td>17.9%</td>
</tr>
<tr>
<td>Waterhead</td>
<td>19.9%</td>
</tr>
<tr>
<td>Inshorpe</td>
<td>21.4%</td>
</tr>
<tr>
<td>Waterloo</td>
<td>21.9%</td>
</tr>
<tr>
<td>Leyton</td>
<td>22.6%</td>
</tr>
<tr>
<td>Billesley</td>
<td>27.2%</td>
</tr>
<tr>
<td>Hawes Side</td>
<td>27.2%</td>
</tr>
<tr>
<td>Victoria</td>
<td>31.4%</td>
</tr>
<tr>
<td>Clifton</td>
<td>33.0%</td>
</tr>
<tr>
<td>Talbot</td>
<td>34.7%</td>
</tr>
<tr>
<td>Park</td>
<td>38.2%</td>
</tr>
<tr>
<td>Clerverton</td>
<td>41.8%</td>
</tr>
<tr>
<td>Broomfield</td>
<td>42.5%</td>
</tr>
<tr>
<td>Bloomfield</td>
<td>47.4%</td>
</tr>
</tbody>
</table>

**Family demographics**

- 80.4% of children in poverty live in **families claiming Income Support or Job Seekers Allowance.**
- 64.7% of children in poverty live in **lone parent families.**
- 31.9% are young children aged 0-4, **55.5% are school aged 5-15**, and 12.6% are dependents aged 16-19.
- 54.3% live in **1-2 child families**, 45.7% live in families with 3 or more children

In total, **25.7%** of the working age population are deprived due to having a low income.

**National Data**

As Council Tax Reduction is a locally administered scheme, no national statistics are collated so reference must be made to old Council Tax Benefit statistics.

According to the Single Housing Benefit Extract, as at January 2011 there were 3.1 million Council Tax Benefit claimants under 65 in the United Kingdom.

According to the Family Resources 2009/10 Survey data, of these:

- 48% of households have at least 1 adult or child who is disabled
- 18% of households have at least 1 adult with caring responsibilities
- 17% of households have at least 1 adult requiring informal care

Information from administrative sources can also provide more limited information on carers and disabled people and shows the number of Council Tax Benefit claimants who are carers or households in receipt of a disability premium and not pass ported onto full Council Tax Benefit. At January 2011:

- 34,790 non-passported under 65 Council Tax Benefit claimants were carers
- 219,580 non-passported under 65 Council Tax Benefit claimants were in receipt of a disability premium

Since some of the passported claimants are also likely to be carers or receiving a disability premium...
underestimates the total number that could be affected.

9. What are the impacts or effects for Key Protected Characteristics?

### Age

<table>
<thead>
<tr>
<th>Older People of pension age</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Potential Impact</strong></td>
</tr>
</tbody>
</table>

The Ministry of Housing, Communities and Local Government’s (formerly the Department for Communities and Local Government) has stated that pensioners must receive the same level of support under any new scheme as they received under the Council Tax Benefit scheme. They will therefore be treated more favourably than other groups under the proposed changes.

In Blackpool we currently have 19,619 Council Tax Reduction recipients of whom 5,219 are single and of pension age. In addition we have 1,500 couples over 60 in receipt of Council Tax Benefit. Of those 43 have child dependents.

Eligible ‘pensioners’ can be divided into the three groups below:

**PASSPORTED CLAIMANTS**

Those in receipt of Pension Credit Guarantee Credit.

Pension Credit ‘Guarantee Credit’ acts as a passport to maximum Council Tax Reduction support. Pensioners apply to the Pension Service and if successful are prompted to apply for Council Tax Reduction. The Pension Service can take the claim on behalf of the local authority and will send an assessment direct to the relevant local authority.

**MEANS-TESTED CLAIMANTS**

*Means-tested claimants in receipt of Pension Credit ‘Savings Credit’ Only*

Pension Credit applicants may be awarded ‘Savings Credit’ only. This group are also prompted to apply for Council Tax Reduction, and if they do the Pension Service will send appropriate data to the relevant local authority that complete the means-testing applying nationally set rules.

*Other means-tested claimants*

Customers can also apply directly. Claimants who have attained the qualifying age for State Pension Credit are means-tested by the Local Authority on application, to determine eligibility for support. The exact amount of support needed will depend on a range of factors, such as age, income, capital, the personal circumstances of the individual and the Council Tax band their home falls into.

We currently do not have data that would allow us to break the Blackpool figures down into the categories above.

**People of Working Age (over 25)**

**Potential Impact**

People under pension age will be treated less favourably under the new support scheme than pensioners. In addition it is possible that some people in this group will be affected more because of the greater difficulties
they may face in finding paid employment e.g. over the age of 55.

**People of Working Age (under 25)**

**Potential Impact**

Under the current Council Tax Reduction scheme the system of applicable amounts differentiate between those under and over 25. Claimants who are under 25 have a lower applicable amount as they are treated as having lower living costs than those aged 25 and over. In addition, young single people may be more at risk of becoming homeless and/or there will be pressure on these people to return or remain in the family home.

Current Welfare Reforms in Housing Benefit affect the same group of Working Age customers.

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of these benefits will be paying less Council Tax.

**Disability**

**Potential Impact**

The definition of disability used is based on entitlement to certain state benefits or to entitlement to a Council Tax disabled band reduction. This can reflect the circumstances of any member of the claimant’s household.

The relevant benefits/additions to benefit include:

- Disability Living Allowance
- Employment Support Allowance
- Personal Independence Payments
- Universal Credit
- Disability Premium
- Severe Disability Premium
- Enhanced Disability Premium
- Disabled Child Premium
- Disabled Earnings Disregard
- Carers Allowance
- War Disablement Pension
- War Widows Pension
- Council Tax Disability Reduction

It is possible that some people in this group will be affected less favourably because of the greater difficulties they may face in coping with the changes, for example by finding paid employment. This may result from their reduced capacity to work due to the nature of their disability and/or discrimination based on the perceptions of employers or the fact that the place of work has not been adapted to meet the needs of disabled people.

Other welfare reforms may further impact on some members of this group and also some of the services that members of this group receive are being reduced under austerity measures. It should also be noted that in some cases (depending on the nature of the disability) there may be potential communication issues where information available in standard formats is not the best method of communicating with benefit recipients. This may cause greater difficulty in understanding their changed liability. This may lead some to fall into arrears more easily with all the associated problems this can cause.

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of certain benefits will be paying less Council Tax.
Some individuals will receive Social Care support from Blackpool Council may be able to have any extra Council Tax they pay deducted from their income for charging purposes (unless they pay the full cost because they have capital over the current threshold). It is acknowledged that this will not help disabled people who do not receive chargeable support from Blackpool Council. However, the most severely disabled are likely to receive this support.

Extensive consultation was carried out prior to the introduction of the 2013/14 scheme with specific disabled stakeholder groups i.e. the Disability Partnership Forum, the Learning Disabilities Self Advocacy Forum and the Disability First open day in order to make them aware of the changes, help them to understand the potential impact and to discuss any support mechanisms that can be built in for affected groups. As the main basis of the 2020/21 scheme is the same as 2019/20 scheme and increased Council Tax Reduction awards can be expected from the changes being considered, no further specific consultation has been carried out with these groups.

It is recognised that the level of a customer’s disability could mean they are more disadvantaged over another disabled customer. There may be the opportunity for a less disabled person to increase their income in order to pay for the increase in Council Tax whereas this may not be an option for a more severely disabled person.

**Gender Reassignment**

**Potential Impact**

No information is collected on the gender reassignment status of Council Tax Reduction claimants. However, it is acknowledged that transgender people experience higher levels of disadvantage and social/financial exclusion and therefore may face greater difficulties in responding to the changes, for example by finding work. It is not thought that the proposed changes will have a negative impact on working age single people and couples who are recipients of Council Tax Reduction regardless of their gender identity.

**Marriage and Civil Partnership**

**Potential Impact**

The latest figures show that there are 3,951 couples in receipt of Council Tax Reduction. Of these: 1,482 (38%) had child dependents, and 2,469 (62%) had no child dependents.

There are 2,439 couples in receipt of Council Tax Reduction who are of working age, with 1,447 (59%) had child dependents and 992 (41%) had no child dependents.

The main scheme impacts on working age families/couples whether they are living together/married or in civil partnerships but will not treat marriage or civil partnership any differently. Married couple and civil partnerships are recognised equally in the current Council Tax Reduction scheme as are people living together as if they are in such legal partnerships.

Families with a large number of children are more likely to live in a bigger property and therefore one with a higher Council Tax Band. The current scheme ensures that these customers would not be disadvantaged over smaller families as the Council Tax Reduction would be based on the actual Council Tax band for the property and the percentage reduction would be the same across all groups of claimants.

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of certain benefits will be paying less Council Tax.
**Pregnancy and Maternity**

The main scheme will have a negative impact on all working age single people and couples who are recipients of Council Tax Reduction regardless of whether they are pregnant/recently given birth or not.

Whilst at this moment we consider that this impact is unlikely to be disproportionately greater on households where a member is pregnant or recently given birth, we acknowledge that they may face greater difficulties in responding to the changes, for example by finding work.

In addition, women on maternity leave may find that they now have to pay an increased amount of Council Tax Support on a reduced income with little prospect of increasing their income in the short term.

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of certain benefits will be paying less Council Tax.

**Race**

**Potential Impact**

The current scheme will have a negative impact on all working age single people and couples who are recipients of Council Tax Reduction regardless of race or ethnicity. We do not have any data regarding the ethnicity of Council Tax Reduction recipients in Blackpool. However, national data shows that 90% of households who received Council Tax Benefit were white, and 10% were ethnic minorities. This compares to a total population of 91% white and 9% ethnic minorities.

At the moment we consider that the impact of the propose changes is unlikely to be disproportionately greater on households of different ethnicity within the working age group. There will be no difference in the way ethnic groups are treated under any Council Tax Reduction scheme. However, some ethnic groups experience different levels of disadvantage and therefore they may find it more difficult to cope with the changes. This may be because they face unofficial discrimination in the job market and possibly because of access to skills including language skills are limited in some cases. There may also be potential communication issues where English is not the benefit recipient’s first language and where documents printed in Standard English is not the optimum method of communicating.

Claimants whose first language is not English may have greater difficulty in understanding their changed level of Support, particularly if they are being asked to pay some Council Tax for the first time. This may lead some to fall into arrears more easily leading to the associated problems this can cause.

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of certain benefits will be paying less Council Tax.

**Religion and Belief**

**Potential Impact**

The current scheme has a negative impact on all working age single people and couples who are recipients of Council Tax Reduction regardless of religion or belief. We do not have any data regarding the religion or beliefs Council Tax Reduction recipients in Blackpool. We do not envisage the scheme or the proposals for 2020/21 will adversely impact people with particular religions or beliefs.
Potential Impact

The latest figures show that in Blackpool there are 15,617 single people in receipt of Council Tax Reduction. Of these: 9,420 (60%) are female, and 6,197 (40%) are male.

Of the 9,420 female recipients, 3,156 (34%) are lone parents and of the 6,197 male recipients, 283 (5%) are lone parents.

If we look only at those of working age, 54% of all single working age female recipients are lone parents. Of the male recipients 5% of all single working age male recipients are lone parents. Of all working age lone parents in Blackpool in receipt of Council Tax Reduction, 92% are female and 8% are male.

On the face of it we will continue to treat both men and women equally in the proposed Council Tax Reduction scheme from 1st April 2020. However, given the higher number of female recipients (60%) in Blackpool, continuation of the current Council Tax Reduction scheme will impact on more women than men. National data does confirm that more women than men experience financial deprivation. In addition, because many more female claimants will be lone parents, they may be treated less favourably indirectly because lone parents may face greater difficulties in responding to the changes, including by finding work.

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of certain benefits will be paying less Council Tax.

Sexual Orientation

Potential Impact

The proposed scheme will have the same level of impact on all working age single people and couples who are recipients of Council Tax Reduction regardless of their sexual orientation. We have no data on the sexual orientation of Council Tax Reduction claimants locally and at this moment we consider that the impact is unlikely to be disproportionately greater on recipients with different sexual orientations.

However, national data demonstrates that some Lesbian, Gay or Bisexual people experience higher levels of disadvantage and financial exclusion than other groups and therefore may face greater difficulties in responding to the changes, for example by finding work.

Other Relevant Groups

Potential Impact

Carers

It is not anticipated that the continuation of the scheme will have any other adverse effect on this group as any Working Age claimant in receipt of certain benefits will be paying less Council Tax.

Child Poverty

The impact of the proposed scheme on the Council’s Child Poverty Strategy has been considered and it is believed that by continuing to disregard Child Benefit and Child Maintenance consideration of this area has been sufficiently taken into account.

Homelessness
The impact of the proposed scheme on the Council’s Homelessness Strategy has been considered and by continuing to work with financial inclusion officers within the Council and Housing Options Support workers, sufficient promotion of how the scheme will work will be available.

Armed Forces Covenant

The impact of the proposed scheme on the Armed Forces has been considered and it is believed that by continuing to disregard War Disablement Pension, War Widow’s Pension and War Widower’s Pension consideration of this area has been sufficiently taken into account.

Other relevant benefit changes that apply from April 2020

The 2020/21 Council Tax Reduction scheme will come in from 1st April 2020. At the same time continued and planned changes to the benefit and tax systems will continue to affect people in receipt of/potentially eligible for Council Tax Reduction. The other changes include the following:

1. Working age benefit rates (Tax Credits, applicable amounts) continue to be frozen.
2. The continued rollout of Universal Credit full service in Blackpool

10. What do you know about how the proposals could affect community cohesion?

- There may be an effect on community cohesion as pensioners are not being affected by the Council Tax Reduction scheme and will continue to receive the current levels of support as defined by Central Government whilst Working Age customers will have reduced levels of help.Whilst we recognise the inequalities of the two schemes (Working Age and Elderly), we are unable to do anything to change them but will monitor the impact of the scheme between age groups during consultation to ensure any comments are recorded.
- If any other protections are made within the working age group, some groups may feel they are “shouldering the burden” of the scheme more than others.
- There may be an increase in transience, as people move to more affordable accommodation in order to be able to afford to pay for their increased contribution to Council Tax.
- There could be an increase in the number of people leaving Blackpool to move to a neighbouring authority with a more generous Council Tax Reduction scheme.

STEP 3 - ANALYSING THE IMPACT

13. Is there any evidence of higher or lower take-up by any group or community, and if so, how is this explained?

- There was traditionally a lower take up of Council Tax Benefit from pensioners, however, as pensioner support will be delivered through a national framework of criteria & allowances and will be a discount rather than a benefit, take up is likely to increase.
- Within some other community groups there is traditionally a low take up because individuals either do not need support or do not like to claim benefit. To mitigate this, there will be continued marketing and communication which will include liaison to target hard to reach groups.
14. Do any rules or requirements prevent any groups or communities from using or accessing the service?

There will be an initial eligibility criteria for the Blackpool Council Tax Reduction scheme (in line with the Council Tax Benefit scheme), which will exclude the following:

- Any person who is not a Council Tax payer as they do not need to pay Council Tax
- Anyone who is not able to claim state benefits in accordance with the Central Government regulations in the Local Government Finance Bill
- If the property is a second home

Once the eligibility criteria have been established, there will be a means tested assessment of entitlement to Council Tax Reduction, which could mean that some people are not entitled but this is the case now also.

15. Does the way a service is delivered/ or the policy create any additional barriers for any groups of disabled people?

Access

The new scheme will offer the same level of access to the service as there is within the current system of Council Tax Reduction, as follows:

- Face to face access
- Telephone access
- Online access
- Home visit, if required

Policy

Disabled people may not be exempt for the purposes of calculating Council Tax Reduction. The rationale behind this is:

- The scheme will support people on a low income and is means tested. Disabled people receive additional income for disabilities and Blackpool’s preferred option allows for the continued disregard of disability incomes in the calculation.
- Disability relief, which is a reduction in the amount of Council Tax payable, applies where adaptations have been made to a property to accommodate a disabled person. Exempting disability benefits in the calculation of Council Tax Reduction would put those people at a financial advantage.
- The Council Tax Reduction Scheme must cost less than the Council Tax Benefit regime. The saving would be unachievable if disabled applicants were disregarded.
- Disability Benefits are disregarded in DWP assessment therefore issues of vulnerability have been addressed prior to our calculation

However, we recognise that even within the category of disability, some people will be more affected than others in that they will be unlikely to be able to increase their income and therefore policies need to be established to mitigate the impact of the scheme. The Council Tax Reduction Hardship Fund would provide a mechanism for additional support for disabled people.
**STEP 4 - DEALING WITH ADVERSE OR UNLAWFUL IMPACT**

16. What can be done to improve the policy, service, function or any proposals in order to reduce or remove any adverse impact or effects identified?

| No adverse impact has been identified for 2020/21 proposed scheme changes |

17. What would be needed to be able to do this? Are the resources likely to be available?

| Not applicable |

18. What other support or changes would be necessary to carry out these actions?

| Not applicable |

**STEP 5 - CONSULTING THOSE AFFECTED FOR THEIR VIEWS**

19. What feedback or responses have you received to the findings and possible courses of action? Please give details below.

| 2019/20 Scheme |

**Comments on whether the current scheme should continue**

- As a single parent it is a big help as it pays for travel and meals
- Scheme needs reforming to get people off benefits
- People need pushing to work and not giving every penny they need. They should receive a percentage discount on hours over 16 at work. This would push more people into work and less into their armchairs
- I think from personal experience years ago me and my husband were on tax family’s credit and we never applied for housing benefits or council tax benefits cause we could still afford to live and afford food and still pay rent and out council tax. We lived in social housing so yes the rents cheaper than private housing. We both worked my husband 40 hrs and me 20 hrs. I work with a girl who is on 16hrs and they can afford more luxury than I could ever and they are always splashing the cash. I also see these girls working the rest of the hours cash in hand! They should be questioned why they are only working 20 hrs or below. So for this reason I think this area needs looking at. If I could afford to do it with 2 children at the time why can’t they.
- As someone who is currently on universal credit I feel like I always have been disadvantaged as my council tax reduction is always increasing because of universal credit but it never decreases, which makes it harder for me as a single parent with a child in DLA.
- The council should continue to protect low income families & those on universal credit
- Council should ensure that it’s CTR scheme keeps aligned with Housing Benefit Scheme

**Response:**

1) The current scheme does mirror the Housing Benefit scheme as much as possible but the introduction of Universal Credit will see this alignment ended in future years.

2) In terms of the proposed additional support to low income groups, this will assist the Revenues team as they will not be trying to recover small debts from people who are struggling to pay and this will allow them to concentrate recovery efforts on people who should and are able to pay but choose not to.
3) The Council is unable to comment on working practices of employers.
4) Government policies are in place to assist customers back to work.

Comments disagreeing with the proposal to ensure that all applicants who are ‘protected’ under the current scheme continue to be protected when they move to Universal Credit

- Reducing the groups which get benefits

Response: Comment noted

- So long as the CTR scheme continues to align with Housing Benefit Scheme

Response: The current scheme does mirror the Housing Benefit scheme as much as possible but the introduction of Universal Credit will see this alignment ended in future years. Thr Government

Comments disagreeing with the proposal to extend the protected group to include where the applicant, or their partner, is in receipt of Jobseeker’s Allowance Contribution Based; where the applicant, or their partner, is in receipt of Main Phase Employment and Support Allowance and are in the Work Related Activity Group; where the applicant is in receipt of Maximum Universal Credit and is neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award (such as an Occupational Pension or other unearned income); and where the applicant is in receipt of Universal Credit which includes the limited capability for work element or the limited capability for work & work related activity

- Helps avoid recently unemployed people getting behind with paying bills
- Agree to temporary help for unemployed
- Finite period for receiving benefit to encourage people to work

Response: Comments noted

- Extend the benefits to other vulnerable groups

Response: Considerable protection has been added into the scheme in previous years.

- Leave it as it is
- Leave it as it is currently
- None, other than keeping it the same as now
- Bill for this needs to be paid somehow so keep the scheme as it is
- Worried about the cost

Response: Additional costs are incurred by trying to recover small amounts of money from customers on low income. By providing this additional protection the administration costs will reduce.

- I agree with the widowers and partly with the disabled and carers. I do not agree that JSA should be protected or a lot of disability cases as they can work and earn a lot of money already.

Response: Customers who are in receipt of Job Seekers Allowance are more likely to be unable to afford their Council Tax and were previously in receipt of full Council Tax Benefit under the old national scheme. Customers with disability income can have a higher level of disability related expenditure.

- Does this not include children who receive DLA especially when it is single parent families.
Response: Families with any disability component in their income, including children, are already protected

Other Comments

- Would like council to give cleaning streets a higher priority
- Extend hours in which people can contact council with council tax queries, as 3-5pm is inadequate
- Consider lower business rates to keep shops and businesses in the town centre
- Not happy with charge for green bins
- If there is money to play with then fund more police
- Would like to see help for FIN, the families in need group which us charity funded

Response: Comments noted but they are not directly related to the Council Tax Reduction Scheme

- Consider full 100% reductions for specific groups
- Reduce the availability of protection and reduction from council tax
- Happy as long as it is a means-tested scheme

Response: The Council Tax Benefit scheme allowed fully funded means tested assessments enabling 100% protection for low income groups. However, the reduction in Government funding that accompanied the transfer of Council Tax Reduction schemes to Local Authorities has not enabled 100% reductions to be applied. Council Tax Reduction continues to be a means tested benefit with some additional protection for low income and vulnerable groups.

2020/21 Scheme

No changes to scheme therefore no consultation required.

20. If you have not been able to carry out any consultation, please indicate below how you intend to test out your findings and recommended actions.

N/A
## STEP 6 - ACTION PLANNING

Please outline your proposed action plan below.

### 2020/21

<table>
<thead>
<tr>
<th>Issues/ adverse impact identified</th>
<th>Proposed action/ objectives to deal with adverse impact</th>
<th>Targets/Measure</th>
<th>Timeframe</th>
<th>Responsibility</th>
<th>Indicate whether agreed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers may end up suffering severe financial hardship</td>
<td>Review Discretionary Discount Guidance for staff and provide training to staff to identify cases where there is an issue</td>
<td>1. Ensure the Council’s hardship scheme is still available 2. Review criteria to apply to the fund for Owner Occupiers 3. Review criteria to apply to the fund for tenants 4. Ensure debt advice and benefit maximisation assistance is available 5. Review and possibly reduce recovery of other Council bills e.g. Sundry Debts, Housing Benefit overpayment 6. Ensure a DHP award cannot be made 7. Ensure all available help from Housing team has been explored</td>
<td>Jan 20  Jan 20  Apr 20 – Mar 21  Apr 20 – Mar 21  Apr 20 – Mar 21</td>
<td>Benefits Service Discretionary Team Advice team</td>
<td>Agreed</td>
</tr>
<tr>
<td>Monitor legislation progress in case there are changes to the proposed amendments to Housing Benefit, in which case alignment to HB rules may not apply</td>
<td>If this client group is no longer impacted by the changes the EA will need to be revisited</td>
<td>1. Review Equality Analysis in light of any legislation changes</td>
<td>Apr 20 – Mar 21</td>
<td>Benefits Service</td>
<td>Agreed</td>
</tr>
<tr>
<td>Issues/ adverse impact identified</td>
<td>Proposed action/ objectives to deal with adverse impact</td>
<td>Targets/Measure</td>
<td>Timeframe</td>
<td>Responsibility</td>
<td>Indicate whether agreed</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------</td>
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<td>-------------------------</td>
</tr>
<tr>
<td>Take Up Campaign</td>
<td>There will be a number of customers who are not claiming the other Benefits they should be doing therefore a take-up campaign is proposed to help them increase their income.</td>
<td>1. All frontline staff are aware of the potential that customers are not claiming all the benefits they are entitled to and where to signpost customers to. 2. The Advice Team maximise the take up of Council Tax reduction when the see a client 3. Increased take up of Council Tax Reduction by Universal Credit customers by proactively working with other agencies and groups e.g. Job Centre Plus to ensure take up of all benefits is maximised</td>
<td>Jan 2020 – Mar 2021</td>
<td>Benefits Service</td>
<td>Agreed</td>
</tr>
</tbody>
</table>

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### STEP 7 - ARRANGEMENTS FOR MONITORING AND REVIEW

Please outline your arrangements for future monitoring and review below.

<table>
<thead>
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<th>Monitoring arrangements</th>
<th>Timeframe</th>
<th>Responsibility</th>
<th>Added to Service Plan etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of scheme and it’s impact</td>
<td>Establish baseline position for review&lt;br&gt;Review impact of scheme on protected characteristic groups&lt;br&gt;Review collection rates amongst affected customers&lt;br&gt;Consider whether discretionary policy is sufficiently robust</td>
<td>Apr 2020 - Mar 2021</td>
<td>Benefits Service</td>
<td></td>
</tr>
<tr>
<td>Potentially propose changes to the scheme as a result of the review</td>
<td>Consider consultation requirements&lt;br&gt;Report to Full Council to formally adopt any recommended changes to the scheme</td>
<td>May 2019 – Jul 2020&lt;br&gt;Nov 2020</td>
<td>Benefits Service</td>
<td></td>
</tr>
</tbody>
</table>

Date completed: 24\textsuperscript{th} October 2019

Name: Louise Jones

Position: Head of Benefits and Customer Services

Signed:
Blackpool Council
Council Tax Reduction Scheme
S13A and Schedule 1a of the Local Government Finance Act 1992
The calculation and amount of Council Tax Support

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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 from 1st April 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 1st April 2020 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 (Amendment) (England) Regulations 2017;
- The Council Tax Reduction Schemes (Amendment) (England) Regulations 2018;
- The Council Tax Reduction Schemes (Amendment) (England) Regulations 2019 and

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 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. a pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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 income-based jobseeker’s allowance, on 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 credit¹; 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, on 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 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 Reduction² amount can be

---

¹ Section 5 of this scheme
² Sections 57 to 63 of this scheme
calculated;
g. not have capital savings above £16,000²;
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 income⁴ is less than their applicable amount⁶ 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 reduction⁶.

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 credit⁷; 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. 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 or on an income-related employment and support allowance or in receipt of an award Universal Credit;
d. be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
e. is not deemed to be absent from the dwelling;
f. 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;
g. be somebody in respect of whom a maximum Council Tax Reduction⁸ amount can be calculated;
h. not have capital savings above £16,000⁹;
i. 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 income¹⁰ is more than their applicable amount¹¹; and
j. have made a valid application for reduction¹²;
k. 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 2 6/7 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

The Standard Deduction

- The standard deduction shall apply to the council tax support calculated for all working age claimants. The percentage deduction can be found in Schedule 6.
Council Tax Reduction Scheme

Details of support to be given for working age claimants
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 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;
‘applicable amounts’ means the weekly amount set by the Council which represents basic day
to day living expenses;
‘appropriate DWP office’ means an office of the Department for Work and Pensions dealing
with state pension credit or claim 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 and the, the Jobseekers Act and the Welfare Reform Act;
‘care home’ in England and Wales has the meaning assigned to it by section 3 of the Care
Standards Act 2000 and in Scotland means a care home service within the meaning assigned to
it by section 2(3) of the Regulation of Care (Scotland) Act 2001;
‘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;
‘child tax credit’ means a child tax credit under section 8 of the Tax Credits Act;
‘the Children Order’ means the Children (Northern Ireland) Order 1995;
‘claim’ means a claim for council tax support;
‘claimant’ means a person who the authority designates as able to claim Council Tax Support—
for the purposes of this scheme all references are in the masculine gender but apply equally to
male and female
‘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 support (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;

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

‘council tax reduction scheme’ has the same meaning as ‘council tax support or reduction’

‘council tax support (or 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, and for the purposes of sub-paragraph (d) 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 claim is made, or treated as made, for the purposes of this scheme

‘designated authority’ means any of the following;

the local authority; or 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 support;

(a) by notice upon or with a form approved by it for the purpose of claiming council tax support;

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 2000 Act;

‘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 2014 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 payment (or reduction)’ means a payment of council tax support payable pursuant to section 60;

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

‘extended payment or extended reduction (qualifying contributory benefits)’ means a payment of council tax support payable pursuant to section 61;

‘family’ has the meaning assigned to it by section 137(1) of the Act;

‘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 14(1)(b) or article 21(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005(b);

‘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 same meaning as they have in the Jobseekers Act by virtue of section 1(4) of that Act;

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

‘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 healthcare service as defined in section 2(5)(a) and (b) of the Regulation of Care (Scotland) Act 2001;

‘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;

‘the LET’ means the London Emergencies Trust;

‘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;

‘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 claimant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007;

‘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 claimants 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 claimant who changes the dwelling in which the claimant is resident and in respect of which the claimant 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 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, 61C, 96 and 97, the dwelling to which a claimant has moved, or is about to move, in which the claimant 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;

‘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;

‘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’ means–

(a) where a claimant is a member of a couple, the other member of that couple; or

(b) where a claimant is polygamously married to two or more members of his household, any such member to whom he is married;
‘paternity leave’ means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

‘payment’ includes part of a payment;

‘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;

‘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;

‘person affected’ shall be construed as a person to whom the authority decides is affected by any decision on for council tax support

‘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;

‘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 20 or 21 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;

‘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)—

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

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

‘qualifying contributory benefit’ means;

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

‘qualifying income-related benefit’ means

(a) income support;

(b) income-based jobseeker’s allowance;

(c) income-related employment and support allowance;

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

‘reduction or support week’ means a period of 7 consecutive days commencing upon a Monday and ending on a Sunday;

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

‘relevant authority’ means an authority administering council tax support;

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-

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13 As amended by the Finance Act 2014
dependant deductions) of those Regulations;
‘resident’ has the meaning it has in Part 1 or 2 of the 1992 Act;
‘Scottish basic rate’ means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;
‘Scottish taxpayer’ has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;
‘second adult’ has the meaning given to it in Schedule 2;
‘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
‘single claimant’ means a claimant who neither has a partner nor is a lone parent;
‘the Skipton Fund’ means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25th March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme’s provisions.
‘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;
‘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;
‘support or reduction week’ means a period of 7 consecutive days commencing upon a Monday and ending on a Sunday;
‘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, but it does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the 1973 Act 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;


‘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;

‘Welfare Reform Act’ means the Welfare Reform Act 2007;

‘the WLMEF’ means the ‘We Love Manchester Emergency Fund’;

‘Working Tax Credit Regulations’ means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended; and ‘young person’ has the meaning prescribed in section 9(1).

2.2 In this scheme, references to a claimant 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

14 The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015
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;

(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 a claimant or with whom a claimant normally resides.

3.2 This paragraph applies to;

a. any member of the claimant’s family;

b. if the claimant 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 claimant 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 claimant, 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 claimant or the claimant’s partner in respect of the occupation of the dwelling;

f. a person who lives with the claimant 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 claimant 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
principal to have been created to take advantage of the council tax support 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 claimant 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 support scheme.

4.0 Requirement to provide a National Insurance Number

4.1 No person whose shall be entitled to support 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 support.

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

a. the claim for support 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

4.3 Paragraph 4.2 shall not apply–

a. in the case of a child or young person in respect of whom council tax support is claimed;

b. to a person who;
   i. is a person in respect of whom a claim for council tax support is made;
   ii. is subject to immigration control within the meaning of section 115(9)(a) of the
       Immigration and Asylum Act;
   iii. is a person from abroad for the purposes of this scheme as defined in section 2.2; and
   iv. 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.

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
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 where that leave is—
(i) discretionary leave to enter or remain in the United Kingdom,
(ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
(iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
(f) a person who has humanitarian protection granted under those rules;
(g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
(h) in receipt of income support or on an income-related employment and support allowance;
(ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4) or
(i) a person who is treated as a worker for the purpose of the definition of “qualified person” in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013 (right of residence of a Croatian who is an “accession State national subject to worker authorisation”)
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.

16 As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014
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 support 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 within Great Britain not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as;

i. the person resides in that accommodation;

ii. the part of the dwelling in which he usually resided is not let or sub-let; and

iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks, where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

b. 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 within Great Britain 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.
8.3A A person who is temporarily absent from a dwelling he occupies as his home and is absent outside Great Britain shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain, provided that—

(a) the person intends to return to occupy the dwelling as his home;
(b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and
(c) the period of absence is unlikely to exceed 4 weeks.

8.3B A person who is temporarily absent from a dwelling he occupies as his home and is absent outside of Great Britain as a member of the armed forces away on operations, a mariner or a continental shelf worker shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 26 weeks beginning with the first day of that absence from Great Britain, provided that—

(a) the person intends to return to occupy the dwelling as his home;
(b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and
(c) the period of absence is unlikely to exceed 26 weeks.

8.3C This paragraph applies where—

(a) a person is temporarily absent from Great Britain;
(b) the temporary absence from Great Britain is in connection with the death of the—

(i) person’s partner or a child or young person for whom he or his partner is responsible;
(ii) person’s close relative;
(iii) close relative of the person’s partner; or
(iv) close relative of a child or young person for whom the person or their partner is responsible;
(c) the person intends to return to occupy the dwelling as his home; and
(d) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let.

8.3D person to whom paragraph (8.3C) applies shall be treated as occupying a dwelling he is absent from as his home whilst he is temporarily absent for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain.

8.3E The period of absence in paragraph (8.3D) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks.

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 Great Britain or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

d. following, in Great Britain or elsewhere, a training course;
e. undertaking medically approved care of a person residing in Great Britain 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 Great Britain, 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;
   • ‘continental shelf worker’ means a person who is employed, whether under a contract
   of service or not, in a designated area or a prescribed area in connection with any
   activity mentioned in section 11(2) of the Petroleum Act 1998
   • ‘designated area’ means any area which may from time to time be designated by Order
   in Council under the Continental Shelf Act 1964 as an area within which the rights of the
   United Kingdom with respect to the seabed and subsoil and their natural resources may
   be exercised;
   • ‘mariner’ means a person who is employed under a contract of service either as a master or
   member of the crew of any ship or vessel, or in any other capacity on board any ship or
   vessel, where:
      a) the employment in that capacity is for the purposes of that ship or vessel or its
crew or any passengers or cargo or mails carried by the ship or vessel; and
      b) the contract is entered into in the United Kingdom with a view to its
performance (in whole or in part) while the ship or vessel is on its voyage
   • ‘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;
• “prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

• ‘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 Support purposes
9.0  Membership of a family

9.1  Within the support 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-related 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 claimant and any partner and, where the claimant 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 claimant’s household where he is—
   a. placed with the claimant 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 claimant or his partner under a relevant enactment; or
   b. placed, or in Scotland boarded out, with the claimant or his partner prior to adoption; or
   c. placed for adoption with the claimant or his partner in accordance with the Adoption and Children Act 2002 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 claimant 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 claimant 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 An authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the claimant’s household in any reduction week where;
   a. that child or young person lives with the claimant 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.


17 The Adoption and Children Act 2002 (Commencement No. 12) Order 2014
Sections 12 – 14 & Schedule 1

Applicable Amounts for Council Tax Support purposes
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). **No family premium will be awarded where an application for reduction is received on or after 1st May 2016 or where the applicant would have become entitled to the family premium on or after 1st May 2016.**

i) Sub paragraph (c) shall not apply to a person who, on 30th April 2016, is entitled to Council Tax Reduction and is:

a. a member of a family of which at least one member is a child or young person; or

b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(ii) (i) above does not apply if—

(a) sub-paragraph 12.1 c (i) (a) or (b) of that paragraph ceases to apply; or

(b) the person makes a new claim for Council Tax Reduction.

d. (iii) For the purpose of this section “child”, “polygamous marriage” and “young person” have the same meaning as in section 2 of this scheme;

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 document (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 of this document (the components)

g. 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 amount within paragraph 1 (3) (c) 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) 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 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). **No family premium will be awarded where an application for reduction is received on or after 1st May 2016 or where the applicant would have become entitled to the family premium on or after 1st May 2016.**

i) Sub paragraph (d) shall not apply to a person who, on 30th April 2016, is entitled to Council Tax Reduction and is:

a. a member of a family of which at least one member is a child or young person; or

b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
(i) above does not apply if—
(a) sub-paragraph 13.1 d (i) (a) or (b) of that paragraph ceases to apply; or
(b) the person makes a new claim for Council Tax Reduction.

(ii) For the purpose of this section “child”, “polygamous marriage” and “young person” have the same meaning as in section 2 of this scheme;

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) whose partner has, or

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

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

14.2 (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 Support purposes
15.0 Calculation of income and capital of members of claimant’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 following provisions.

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 polygaminously 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 are not pensioners 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) net of the housing costs element;
   (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.

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 claimant’s**

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

16.2 Where a claimant 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 claimant and any reference to the ‘claimant’ 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 a claimant 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 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 14.2 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 claimant’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 claimant’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 claimant or, if he is a member of a couple either the claimant 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 claimant’s family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.

b. where the claimant’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 a claimant is treated as possessing under section 32 (notional income) of this scheme.

**18.0 Treatment of child care charges**

18.1 This section applies where a claimant 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; 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 c) or d) 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 claimant for care, which is provided
   a. in the case of any child of the claimant’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 claimant’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 a claimant to a partner to a claimant 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 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
Blackpool Council

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 2001, or

   ii. local authorities registered under section 33(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 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 or 2013 as appropriate;

   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 18.11d) applies to the claimant, 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 18.11e) applies to the claimant, 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 person 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 adoption leave began she was in remunerative work;

b. the claimant 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; 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).

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 a claimant’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 19.1 a i) or ii) applies, where a claimant’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 claimant 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 claimant’s employer to furnish an
estimate of the claimant’s likely weekly earnings over such period as the authority may
require and the claimant’s average weekly earnings shall be estimated by reference to
that estimate.

19.3 Where the amount of a claimant’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 claimant’s earnings shall be calculated in accordance with
sections 25 and 26

20.0 Average weekly earnings of self-employed earners

20.1 Where a claimant’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 claimant’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 A claimant’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 an 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 a claimant received 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 quotient by 7.

23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of a claimant 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 quotient 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 a claimant 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 claimant’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 claimant’s employer in respect of–
      g. travelling expenses incurred by the claimant under arrangements made for the case of a member of his family owing to the claimant’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 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 claimant who for the time being is on maternity leave, paternity leave 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.\footnote{Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013}

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 a claimant 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 a claimant’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 claimant 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 claimant 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 claimant; and

d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted 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 or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 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 or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph 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 any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the claimant 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 accommodate with the claimant under arrangements made by a local authority or voluntary organisation and payments made to the claimant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the claimant’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—

(ii) book registered under the Public Lending Right Scheme 1982; or

(iii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the claimant 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 claimant’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 shall be treated as a corresponding fraction of a week) by dividing the earnings by the amount of council tax support which would be payable had the payment not been made plus 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 claimant’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 a claimant’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 28.1a) the net profit of the employment shall be calculated;

a. 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 (where self employed accounts can be provided); or

b. as an amount determined by multiplying the national minimum wage by 16 hours per week or the number of hours shown on any Tax Credit letter.

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. 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 a claimant 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 or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 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 or in the case of a Scottish taxpayer, the Scottish 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 b)(ii); 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
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 a claimant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.8, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There shall be disregarded from the calculation of a claimant’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 claimant 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, 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 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 27.1 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—

\[ A - \left( B \times C \right) / D \]

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until he 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;

\[ C = \text{the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax support immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;} \]

\[ D = \text{the number of reduction weeks in the assessment period.} \]

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–

\[ A = \text{the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5} \]

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 those 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 a claimant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 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 claimant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act.

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 claimant’s capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £16,000, 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 1973 Act shall be treated as income.

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

32.0 Notional income

32.1 A claimant 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 claimant 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,
   i. any sum to which paragraph 32.13 applies;
   any income which would become available to the claimant upon application being made, but which has not been acquired by him, shall be treated as possessed by the claimant 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 claimant 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 claimant or, as the case may be, by that member;
   b. to a third party in respect of a single claimant 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 claimant 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 claimant 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 claimant or member is liable;
   c. to a single claimant 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 claimant 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 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)(iii) 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 previous participation in the Mandatory Work Activity Scheme;
e. 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 a claimant is in receipt of any benefit (other than council tax support) 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 claimant 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. claimant 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 claimant as possessing such earnings (if any) as is reasonable for that employment unless the claimant 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 a claimant 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 claimant’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 claimant’s participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
      (ii) the claimant’s or the claimant’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 a claimant 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 a claimant 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 or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 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 Support purposes
33.0 Capital limit
33.1 For the purposes of section 134(1) of the Act as it applies to council tax support (no entitlement to support if capital exceeds prescribed amount), the prescribed amount is £16,000.

34.0 Calculation of capital
34.1 For the purposes of this scheme, the capital of a claimant 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 a claimant’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 claimant’s family shall not be treated as capital of the claimant.

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 claimant’s account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the claimant’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), the London Bombings Charitable Relief Fund, the WLMF or the LET 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 a claimant 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 a claimant 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 a claimant 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 A claimant shall be treated as possessing capital of which he has deprived himself for the
purpose of securing entitlement to council tax support or increasing the amount of that support
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 claimant 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 claimant 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 claimant or, as the case may be, by that member;
(b) to a third party in respect of a single claimant 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 claimant 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 claimant 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 claimant or member is liable;
(c) to a single claimant 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
   claimant 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 regulation17A(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; 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.

39.5 Where a claimant 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 claimant 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 a claimant 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 a claimant 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 claimant satisfies the conditions that
(a) he is in receipt of council tax support; and
(b) but for paragraph 39.1, he would have received an additional amount of council tax support 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 claimant 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 (notional capital);
(c) where the claimant 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 claimant 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 (notional capital) and
(e) where the claimant 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 (notional capital).

40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the claimant would have been entitled to council tax support 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 support to which the claimant 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 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;
(b) if the claimant 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 claimant 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 claimant would, but for regulation 113 of the Jobseeker’s Allowance Regulations, 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 claimant would, but for regulation 115 of the Employment and Support Allowance Regulations, 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 claimant makes a further claim for council tax support 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 claimant made a claim for council tax support 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 support which resulted in the weekly amount being re-determined, or
      (iii) the date on which the last ceased to be entitled to council tax support, whichever last occurred; and
   (b) the claimant would have been entitled to council tax support 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 support 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 claimant 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 support; or
      (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax support on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax support;
      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 risk’ 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 a claimant possesses capital which is disregarded under paragraph 39(5) (notional capital) where a claimant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated 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 claimant is treated as possessing as if it were actual capital which the claimant does possess.

42.0 Calculation of tariff income from capital

42.1 Where the claimant’s capital calculated in accordance with this scheme exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £16,000.

42.2 Notwithstanding paragraph 42.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.

42.3 For the purposes of paragraph 42.1, capital includes any income treated as capital under section 36 (income treated as capital).
Sections 43 - 56

Definition and the treatment of students for Council Tax Support purposes
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) Act 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 Young People’s Learning Agency for England under sections 61 and 62 of the Apprenticeships, Skills, Children and Learning Act 2009 or the Chief Executive of Skills Funding under section 100 and 101 of that Act; 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 holders 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;

(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 education authority as defined in section 12 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 Island, 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 Young People’s Learning Agency for England 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 bodies 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) 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

‘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
44.0 Treatment of students

44.1 The following sections relate to students who claim Council Tax Support

45.0 Students who are excluded from entitlement to council tax support

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

45.2 To be eligible for support, 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;
(ea) 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.
(f) 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;
(g) who is a single claimant 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;
(h) who is;
(i) aged under 21 and whose course of study is not a course of higher education, or
(ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);
(i) 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 For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19.

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.

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 50.0 (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 of 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
(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 the course;

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.

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 claimant 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 claimant 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 Support
57.0 **Maximum council tax support**

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person’s maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A/B where;

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

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under section 58 (non-dependant deductions).

57.2 In calculating a person’s maximum council tax support 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 a claimant 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 claimant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax support) applies, in determining the maximum council tax support 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 a claimant 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**

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, £12.20 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £4.00 x 1/7.

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 £8.10 x 1/7

(c) not less than £360.10, but less than £447.40, the deduction to be made under this section shall be £10.20 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—

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19 The amounts shown within this section shall be uprated in line with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012.
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
   (iii) the daily living component of personal independence payment, or would be receiving
       that allowance but for a suspension of benefit in accordance with regulations under
       section 86 of the Welfare Reform Act 2012 (hospital in-patients);
   (iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance
       with any terms of the armed and reserve forces compensation scheme which allows
       for a suspension because a person is undergoing medical treatment in a hospital or
       similar institution.

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 43.0 (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;

e. ‘patient’ has the meaning given within this scheme, and

f. 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;

g. 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 support taper (applies to persons defined within Class E)

59.1 The prescribed daily percentage for the purpose of calculating support as a percentage of excess of income over the applicable amount which is deducted from maximum council tax support, shall be 2 6/7 per cent. Where a claimant’s income exceeds their applicable amount, their council tax support shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax support as defined within section 57 of this scheme.

59A.0 Reduction of entitlement (Classes A & B)

59A.1 Any entitlement calculated in accordance with this scheme shall be reduced by a percentage as shown in Schedule 6. The standard deduction shall apply to the council tax support calculated for all working age claimants.

59A.2 Where the following circumstances are met Schedule 6 outlines the deduction that shall apply:

- Where the applicant or their partner receive, Disability Living Allowance or a Personal Independence Payment; or
- An applicant who is a lone parent and who is responsible and resides with a child under 5 years old; or
- Where the applicant or their partners receives carers allowance; or
- Where the applicant or their partner is in receipt of a war pension, war widows pension, war disablement pension or equivalent; or
- Where the applicant or their partner receive:
  o Income Support; or
  o Income Related Employment and Support Allowance; or
  o Income Based Jobseeker’s Allowance;
- Where the applicant or their partner is in receipt of Universal Credit and immediately prior to receipt of that were in receipt of:
  o Income Support; or
  o Income Related Employment and Support Allowance; or
  o Income Based Jobseeker’s Allowance;
- Where the applicant, or their partner, is in receipt of Jobseeker’s Allowance Contribution Based;
- Where the applicant, or their partner, is in receipt of Main Phase Employment and Support Allowance and are in the Work Related Activity Group;
- Where the applicant is in receipt of Maximum Universal Credit and is neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award; and
- Where the applicant is in receipt of Universal Credit which includes any of the following elements:
  o Limited capability for work
  o Limited capability for work & work related activity
60.0 Extended reductions

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

(a) the claimant or the claimant’s partner was entitled to a qualifying income-related benefit;
(b) entitlement to a qualifying income-related benefit ceased because the claimant or the claimant’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 claimant or the claimant’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), a claimant or a claimant’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 claimant or the claimant’s partner was not entitled to any of those benefits because the claimant or the claimant’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 a claimant or a claimant’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 A claimant must be treated as entitled to council tax support by virtue of the general conditions of entitlement where—

(a) the claimant ceased to be entitled to council tax support because the claimant vacated the dwelling in which the claimant was resident;
(b) the day on which the claimant 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 a claimant’s entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that claimant.

60A.0 Duration of extended reduction period

60A.1 Where a claimant 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 claimant, or the claimant’s partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), a claimant or a claimant’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 claimant 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 a claimant shall be the higher of—
(a) the amount of council tax support to which the claimant was entitled under the general conditions of entitlement in the last reduction week before the claimant or the claimant’s partner ceased to be entitled to a qualifying income-related benefit;
(b) the amount of council tax support to which the claimant 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 claimant; or
(c) the amount of council tax support to which the claimant’s partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the claimant.

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

60B.3 Where a claimant is in receipt of an extended reduction under this section and the claimant’s partner makes a claim for council tax support, no amount of council tax support 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 support 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 support 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 support 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 support under the general conditions of entitlement

60D.1 Where a claimant’s council tax support award would have ended when the claimant 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 A claimant who is entitled to council tax support (by virtue of the general conditions of
entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

(a) the claimant or the claimant’s partner was entitled to a qualifying contributory benefit;

(b) entitlement to a qualifying contributory benefit ceased because the claimant or the claimant’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 claimant or the claimant’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 claimant or the claimant’s partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the claimant, or the claimant’s partner, was entitled to a qualifying contributory benefit.

61.2 A claimant must be treated as entitled to council tax support by virtue of the general conditions of entitlement where;

(a) the claimant ceased to be entitled to council tax support because the claimant vacated the dwelling in which the claimant was resident;

(b) the day on which the claimant 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 a claimant 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 claimant, or the claimant’s partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, a claimant or a claimant’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 claimant 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 a claimant shall be the higher of;

(a) the amount of council tax support to which the claimant was entitled under the general conditions of entitlement in the last reduction week before the claimant or the claimant’s partner ceased to be entitled to a qualifying contributory benefit;

(b) the amount of council tax support to which the claimant 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 claimant; or

(c) the amount of council tax support to which the claimant’s partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the claimant.

61B.2 Paragraph 61B.1 does not apply in the case of a mover.
61B.3 Where a claimant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the claimant’s partner makes a claim for council tax support, no amount of council tax support 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 support 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 support 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 support 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 support under the general conditions of entitlement

61D.1 Where a claimant’s council tax support award would have ended when the claimant 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 Generally 20

61E.1 Where;

a. an application is made to a billing authority (“the current authority”) for a reduction under this scheme, and
b. the applicant, or the partner of the applicant, is in receipt of an extended reduction from
   c. (i) another billing authority in England;
      (ii) a billing authority in Wales;
      (iii) a local authority in Scotland, or

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(iv) a local authority in Northern Ireland,

the current billing authority must reduce any reduction to which the applicant is entitled under this scheme by the amount of that extended reduction.
Sections 64 – 67

Changes of circumstances within Council Tax Support
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 support is made and who is otherwise entitled to that support shall be entitled from the reduction week following the date on which that application is made or treated as made.

64.2 Where a person is otherwise entitled to council tax support 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 - 66.0 Not Used

67.0 Date on which change of circumstances is to take effect

67.1 For working age claimants, the effective date of change for any change in circumstances will be as follows;
   a. where the change increases the amount of support payable to the claimant and where the change has been notified to the authority in writing (or by any other method approved by the authority) within 21 days of the happening of the event, the Monday following the date of the change;
   b. where the change increases the amount of support payable to the claimant and where the change has been notified to the authority in writing (or by any other method approved by the authority) more than 21 days of the happening of the event, the Monday following the date notified of the change;
   c. In any other event, other than that specified in 67.2, the actual date of the change.

67.2 Subject to paragraph 67.3, 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 Any overpayment of Council Tax Support will be recoverable in full including any errors made by the claimant, their partner, family members, appointees, errors by the Council or its agent or any other areas of Government.
Sections 68–74

Claiming and the treatment of claims for Council Tax Support purposes
68.0 Who may claim\textsuperscript{21}

68.1 In the case of a couple or members of a polygamous marriage an application shall 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 apply, 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 paragraph (2) does not apply to him, an 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 the authority has made an appointment under paragraph (3) or treated a person as an appointee under paragraph (5);
   (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 shall terminate when the authority is notified of the appointment of a person mentioned in paragraph (2).

68.5 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 paragraph (3).

68.6 Anything required by an 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 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.

69.0 Procedure by which a person may apply for a reduction under an authority’s scheme\textsuperscript{22}

69.1 Paragraphs 2 to 8 apply to an application for a reduction under an authority’s scheme.

69.2 An application may be made—
   (a) in writing,
   (b) by means of an electronic communication in accordance with Part 4 of Schedule 7 Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

\textsuperscript{21} Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
\textsuperscript{22} Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
69.3 (1) An application which is made in writing must be made to the offices of the authority on a properly completed form.
(2) The form will be provided free of charge by the authority for the purpose.

69.4. Where an application received by the authority 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.

69.5. (1) Where an application made in writing is defective because—
(a) the form provided by the authority has not been properly completed; or
(b) if it is made in writing, but not on the form provided by the authority, and the authority does not consider the application as being in a written form which is sufficient in the circumstances of the case, the authority may request the applicant to complete the defective application or (as the case may be) supply the applicant with the form to complete or request further information or evidence.
(2) An application made on a form provided by the authority is properly completed if completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.6. (1) If an application made by electronic communication is defective the authority will 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.

69.7. 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.

69.8. (1) If an application made by telephone is defective the authority will 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.

69.9 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. Any letter received from the Secretary of State for Work & Pensions in respect of any claim for another benefit shall be treated as a claim for Council Tax Reduction.

69A.0 Date on which a claim made
69A.1 Subject to sub-paragraph (7), the date on which an application is made is
(a) in a case where;
(i) an award of income support, an income-based jobseeker’s allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
(ii) the application for a reduction under this scheme 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—
   (i) a person on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance or has an award of universal credit,
   (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
   (iii) the application to the authority is received at the authority’s offices within one month of the date of the change,

(c) in a case where—
   (i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and
   (ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

(d) except where paragraph (a), (b) or (c) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(e) in any other case, the date on which the application is received at the offices of the authority.

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

have been entitled to that allowance.

69A.3 Where the 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 is to 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 is to treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

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
(d) 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 United Kingdom, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.

69A.7 Except in the case of an application made by a person treated as not being in United Kingdom, where the applicant is not entitled to a reduction under this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under this scheme for a period beginning not later than
(a) in the case of an application made by a pensioner, 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 Sub-paragraph (7) applies in the case of 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.

70.0 Submission of evidence electronically

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim.

71.0 Use of telephone provided evidence

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim.

72.0 Evidence and information

72.1 Subject to paragraph (2), a person who makes an application, or a person to whom a reduction under an authority’s scheme has been awarded, shall furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by the authority in order to determine that person’s entitlement to, or continuing entitlement to a reduction under its scheme and shall do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

72.2 Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (4) applies.

72.3 Where a request is made under sub-paragraph (1), the authority shall;
(a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty to notify the authority of any change of circumstances; and
(b) without prejudice to the extent of the duty owed, indicate to him either orally or by notice.

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23 Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
72.4 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 Bombings Relief Charitable Fund, the WLMEF or the LET;

(b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);

(c) a payment which is disregarded under paragraph 29(9)(b) or (c) (non-dependant deductions) or paragraph 2(b) or (c) of Schedule 4 (second adult’s gross income) other than a payment under the Independent Living Fund (2006).

72.5 Where an applicant or a person to whom a reduction under this scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information

(a) the name and address of the pension fund holder;

(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of claim 24

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 offices of the authority.

73.2 Where the application was made by telephone in accordance with this scheme, the amendment may also be made by telephone.

73.3 Any application amended in accordance with paragraph (1) or (2) will be treated as if it had been amended in the first instance.

73.4 A person who has made an application may withdraw it at any time before a decision has been made on it by notice to the offices of the authority.

73.5 Where the application was made by telephone in accordance with this scheme, the withdrawal may also be made by telephone.

73.6 Any notice of withdrawal given in accordance with paragraph (4) or (5) shall have effect when it is received.

74.0 Duty to notify changes of circumstances 25

74.1 Subject to paragraph (2), if at any time between the making of an application to an authority and a decision being made on it there is a change of circumstances which the applicant (or any person acting on his behalf) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under that authority’s scheme, that person is under a duty to

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74.2 The duty imposed on a person by sub-paragraph (1) does not extend to notifying changes in:
(a) the amount of a council tax payable to the authority;
(b) the age of the applicant or that of any member of his family;
(c) in the case of an applicant on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, or who has an award of universal credit, in circumstances which affect the amount of income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit but not the amount of the reduction under this scheme to which he is entitled, other than the cessation of that entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit.

74.3 Notwithstanding paragraph (2)(b) or (c) an applicant is required by 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 ceases to be a child or young person.
Sections 75- 90

Decisions, decision notices and awards of Council Tax Support
75.0 Decisions by the authority 26
75.1 An authority must make a decision on an application for a reduction under its scheme within 14 days or as soon as reasonably practicable thereafter.

76.0 Notification of decision 27
76.1 The authority must notify in writing any person affected by a decision made by it under this scheme:
   (a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
   (b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

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 paragraph 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 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.

76.4 The written statement referred to in paragraph 76.3 must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.5 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (6).

76.6 This sub-paragraph applies to—
   a) the applicant;
   b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act—
      (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
      (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person’s behalf; or
      (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise, a person appointed by the authority under paragraph 68.2.
   c) a person appointed by the authority under paragraph 68.3

77.0 Time and manner of granting council tax support 28

26 Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
27 Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
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 support is to be paid 29

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 an authority’s scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

29 Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
79.0 Shortfall in support / reduction

79.1 Where, on the revision of a decision allowing a reduction under an 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

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 support 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 – 90.0 Not used

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30 Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012
31 Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012
Sections 91 – 94

Collection, holding and forwarding of information for Council Tax Support 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 requirements32.

92.0 Collection of information

92.1 The authority may receive and obtain information and evidence relating to claims for council tax support, the council may receive or obtain the information or evidence from—
(a) persons making claims for council tax support;
(b) other persons in connection with such claims;
(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) make a record of such information; and
(b) 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 support.

94.0 Forwarding and Checking 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 support 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 support.

94.2 By law, we may check the information you have provided, or information provided about you by someone else, against other information we already have. We may also ask other agencies, organisations, local authorities or government departments to give us information they have about you. This is to make sure the information you have given us is accurate, and to prevent or detect crime and to protect public funds.

32 Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014
Sections 95 – 98

Revisions, Written Statements, Termination of Council Tax Support
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. a claimant;
   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 support 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 support 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 request issue a written statement to a person affected to further explain the decision of the authority in relation to Council Tax Support.

98.0 **Terminations**

98.1 The authority may terminate, in whole or in part the Council Tax Support where it appears to the authority that an issue arises;
   a. whether the conditions for entitlement to Council Tax Support are or were fulfilled; or
   b. whether a decision as to an award of such a support should be revised or superseded.
   c. 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\textsuperscript{33}

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\textsuperscript{34}.

\textsuperscript{33} Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012
\textsuperscript{34} 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) (a) section 13A(1)(c) of the 1992 Act

100.1 Full details of how of to apply for a discretionary reduction can be found in the Council’s Council Tax and Business Rates Discretionary Discount Scheme.

100.2 The Council may make an additional discretionary award, which could be granted in accordance with either S13A (1)(a) or S13A (1)(c) of the Local Government Finance Act 2012.

Section 101 – 106A³⁶

Electronic Communication

³⁶ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) 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 paragraph (1) if the conditions specified in 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 Support;
   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 support;
   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\textsuperscript{37}

\textsuperscript{37} The amounts in this schedule shall be amended in line with the Housing Benefit Regulations 2006
### 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;

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person or Couple</td>
<td></td>
</tr>
<tr>
<td>1. A Single applicant who;</td>
<td>£73.10</td>
</tr>
<tr>
<td>a) is entitled to main phase employment and support allowance</td>
<td></td>
</tr>
<tr>
<td>b) is aged not less than 25</td>
<td>£73.10</td>
</tr>
<tr>
<td>c) is aged not less than 18 but less than 25</td>
<td>£57.90</td>
</tr>
<tr>
<td>2. Lone Parent</td>
<td>£73.10</td>
</tr>
<tr>
<td>3. Couple;</td>
<td>£114.85</td>
</tr>
<tr>
<td>a) Where the applicant is entitled to the main phase of employment and support allowance</td>
<td></td>
</tr>
<tr>
<td>b) Where one member is aged not less that 18</td>
<td>£114.85</td>
</tr>
<tr>
<td>c) Polygamous Addition</td>
<td>£41.75</td>
</tr>
</tbody>
</table>

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. 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

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child or Young Person</td>
<td></td>
</tr>
<tr>
<td>Person in respect of the period--</td>
<td>£66.90</td>
</tr>
<tr>
<td>(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;</td>
<td></td>
</tr>
<tr>
<td>(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.</td>
<td>£66.90</td>
</tr>
<tr>
<td>(c) third or subsequent dependent child or young person whose date of birth falls on or after 1st April 2017</td>
<td>NIL</td>
</tr>
</tbody>
</table>

(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. 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;
c. **No family premium will be awarded where an application for reduction is received on or after 1st May 2016 or where the applicant would have become entitled to the family premium on or after 1st May 2016.**
   i) Sub paragraph (c) shall not apply to a person who, on 30th April 2016, is entitled to Council Tax Reduction and is:
      a. a member of a family of which at least one member is a child or young person; or
      b. a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.
   (c) (i) above does not apply if—
      a. sub-paragraph 3 (c) (i) (a) or (b) of that paragraph ceases to apply; or
   d. the person makes a new claim for Council Tax Reduction;

### 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
   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 Premium
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;

<table>
<thead>
<tr>
<th>Premium</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability Premium</td>
<td></td>
</tr>
<tr>
<td>a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006</td>
<td>£34.35</td>
</tr>
<tr>
<td>b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006</td>
<td>£48.95</td>
</tr>
<tr>
<td>Severe Disability Premium</td>
<td></td>
</tr>
<tr>
<td>a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006</td>
<td>£65.85</td>
</tr>
<tr>
<td>b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006</td>
<td>£65.85</td>
</tr>
<tr>
<td>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);</td>
<td>£131.70</td>
</tr>
<tr>
<td>ii. in a case where there is no one in receipt of such an allowance</td>
<td></td>
</tr>
<tr>
<td>Disabled Child Premium</td>
<td>£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</td>
</tr>
<tr>
<td>Carer Premium</td>
<td>£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</td>
</tr>
</tbody>
</table>
Enhanced Disability Premium

(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.

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. The component will not apply where the applicant has been awarded Employment and Support Allowance on or after 1st April 2017 and been placed in the Work Related Activity Group.

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
1. In the case of a claimant 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 support 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 paragraph 25.1(e), or
      (ii) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
   c) where before the first day of entitlement to council tax support—
      (i) the employment has not been terminated, but
      (ii) the claimant 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 a claimant who, before first day of entitlement to council tax support; (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); and
   (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 a claimant 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 a claimant’s family and of a polygamous marriage) if this paragraph applies to a claimant it shall not apply to his partner except where, and to the extent that, the earnings of the claimant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the claimant’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) the claimant 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 claimant is a lone parent, £25.

5. (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the claimant and, subject to sub-paragraph (2), where the claimant’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 claimant 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 a claimant 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 claimant 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 claimant’s family and of a polygamous marriage), if this paragraph applies to a claimant it shall not apply to his partner except where, and to the extent that, the earnings of the claimant 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 claimant, £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 claimant’s family and of a polygamous marriage), if this paragraph applies to a claimant it shall not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the claimant’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 claimant’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 claimant’s earnings disregarded under this paragraph exceed £20.

9. Where the claimant 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 claimant, 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 claimant (or if the claimant 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 claimant 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 claimant’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 a claimant 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 claimant’s income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

12. Where a claimant 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 claimant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.

(2) The conditions of this sub-paragraph are that—
   (a) the claimant, or if he is a member of a couple, either the claimant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or
   (b) the claimant—
      (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 claimant’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; or
   (c) the claimant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit Regulations (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

(3) The following are the amounts referred to in sub-paragraph (1);
   (a) the amount calculated as disregarded from the claimant’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
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 a claimant 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 paragraph 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 a claimant 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 claimant 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 claimant’s income.

6. Where the claimant, or the person who was the partner of the claimant 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.

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 claimant 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(d) (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 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 claimant 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 a claimant 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 claimant or, where the claimant is a member of a family, any other member of his family, or any council tax or water charges for which that claimant 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 claimant;
(d) a payment under an annuity purchased;
(i) pursuant to any agreement or court order to make payments to the claimant; or
(ii) from funds derived from a payment made, in consequence of any personal injury to the claimant; 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 claimant in consequence of any personal injury to the claimant.

(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 claimant, or a former partner of any member of the
claimant’s family; or
(b) the parent of a child or young person where that child or young person is a member of the claimant’s family.

16. 100% of a) and b) and £10 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 claimant 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 claimant 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 claimant 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(c), 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 claimant 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 claimant 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 claimant 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 claimant by a child or young person or a non-dependant.

22. Where the claimant 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 claimant 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 claimant 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 claimant which is used by the third party to provide benefits in kind to the claimant.

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 claimant 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 claimant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

27. Any payment made to the claimant 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 claimant or his partner for a person ('the person concerned'), who is not normally a member of the claimant’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 claimant.
   (2) Sub-paragraph (1) applies only where A;
      (a) was formerly in the claimant’s care, and
      (b) is aged 18 or over, and
      (c) continues to live with the claimant.

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 claimant 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 claimant 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) or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013

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 a claimant’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 claimant’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 claimant’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 claimant’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 claimant’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 claimant’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, London Bombings Relief Charitable Fund, WLMEF and the LET.

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 a claimant’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 claimant’s former partner, or the claimant’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 claimant’s family, except where the person making the payment is the claimant or the claimant’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 claimant 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 claimant’s family.

(2) If the claimant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disability 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 claimant’s family.

53. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disability 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 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. (Disability 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 support or council tax benefit to which the claimant is entitled.

56. Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the claimant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10

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 claimant or where the claimant is a member of a family, any other member of his family, or any council tax or water charges for which that claimant 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 a claimant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the claimant, being a fee, grant, loan or otherwise.


63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the claimant or his partner relating to a service which is provided to develop or sustain the capacity of the claimant 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 child benefit.

67. Any bereavement support payment under section 30 of the Pensions Act 2014
Schedule 5

Capital to be disregarded
1. The dwelling together with any garage, garden and outbuildings, normally occupied by the claimant 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 claimant’s family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.

A2. Any payment made to the claimant 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.

2. Any premises acquired for occupation by the claimant, 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 claimant 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 claimant 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 claimant to complete the purchase.

4. Any premises occupied in whole or in part—
   (a) by a partner or relative of a single claimant 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 claimant as his home; but this provision shall not apply where the former partner is a person from whom the claimant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

5. Where a claimant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance, the whole of his capital.

6. Where the claimant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker’s allowance, the whole of the claimant’s capital.

7. Any future interest in property of any kind, other than land or premises in respect of which the claimant 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 claimant 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 claimant 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 support 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 claimant 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 support, 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 support’ 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 claimant;
   (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 claimant 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 claimant (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 claimant to complete the purchase.

12. Any personal possessions except those which have been acquired by the claimant with the
intention of reducing his capital in order to secure entitlement to council tax support or to
increase the amount of that support.

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 claimant or claimant’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 claimant or the claimant’s partner in consequence of any personal
injury to the claimant or, as the case may be, the claimant’s partner.

(2) But sub-paragraph (1)
(a) applies only for the period of 52 weeks beginning with the day on which the
claimant 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 claimant 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 claimant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which a claimant no longer
possesses a payment or a part of it include where the claimant has used a payment or part of it
to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the claimant 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
claimant.

(2) Sub-paragraph (1) applies only where A;
(a) was formerly in the claimant’s care, and
(b) is aged 18 or over, and (c) continues to live with the claimant.

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 claimant’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 claimant’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 claimant’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 claimant’s family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment made 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 support 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, the London Bombings Relief Charitable Fund, the WLMEF and the LET.

25. Where a claimant 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 claimant 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 claimant 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 claimant 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 claimant 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 claimant 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 claimant 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 claimant 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. (1) Subject to sub-paragraph (2), where a claimant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax support), the whole of his capital.

(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the claimant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax support), sub-paragraph (1) shall not have effect.

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 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 claimant 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 claimant or, where the claimant is a member of a family, any other member of his family, or any council tax or water charges for which that claimant 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 a claimant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the claimant, 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 claimant;
   (b) the claimant’s partner;
   (c) the claimant’s deceased spouse or deceased civil partner; or
   (d) the claimant’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 a claimant or a member of a claimant’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 a claimant or a member of a claimant’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 claimant, the claimant’s partner, the claimant’s deceased spouse or deceased civil partner or the claimant’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 claimant or his partner relating to a service, which is provided to develop or sustain the capacity of the claimant 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 claimant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

62. Any payment made to the claimant 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).

64. Any bereavement support payment under section 30 of the Pensions Act 2014
Schedule 6

Council Tax Reduction Scheme
For working age claimants, at the end of the assessment, a percentage reduction of 27.11% will be applied with the exception of the claimants listed in section 59A.2 who will have a percentage reduction of 13.56% applied.
PROPOSED RENT REVIEW 2020/21

1.0 Purpose of the report:

1.1 To consider the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2020/21.

2.0 Recommendation(s):

To recommend to the Council that:

2.1 Rents for all Housing Revenue account properties are increased by 2.7% in 2020/21, following rent reductions over the last four years.

2.2 The minimum level of Housing Revenue Account balances remain protected at £1 million, as previously agreed.

2.3 That Housing Revenue Account service charges (as detailed in Appendix B) and that other General Fund service charges (as detailed in Appendix C) are charged as outlined.

3.0 Reasons for recommendation(s):

3.1 To ensure that rent levels are appropriate and the Housing Revenue Account is financially secure as the Council delivers the Council Homes Investment Plan over the next 5 years.

Retention of the previously agreed minimum reserves level of £1 million ensures that prudent balances are maintained in the Housing Revenue Account.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council

No
3.2b Is the recommendation in accordance with the Council’s approved budget?

Not applicable – the report once approved will become part of the Council’s new approved budget.

3.3 Other alternative options to be considered:

Rents could be set at a lower level, but have already been reduced by a total of 4% over the last four years. Not to raise rents now would further reduce the capacity for investment in Council homes.

4.0 Council Priority:

4.1 The relevant Council Priority is: “Communities: Creating stronger communities and increasing resilience”.

5.0 Background Information

5.1 As part of the preparation of the draft 2020/21 Housing Revenue Account (HRA) Budget, Members must consider the levels of rents and service charges to be set in connection with Council Housing dwellings during the next financial year.

5.2 The report, circulated to members under separate cover, details the 2020/21 Draft Budget and the proposed changes in rent and service charges.

5.3 New charges for Housing Revenue Account services and related non-Housing Revenue Account properties are also proposed.

5.4 Does the information submitted include any exempt information? No

5.5 List of Appendices:

Report on the Proposed Rent Review 2020/21
Appendix A: HRA Draft Budget 2020/21
Appendix B: HRA charges
Appendix C: General Fund housing charges

6.0 Legal considerations:

6.1 The rent increase is in line with the rent increase allowed by Government for 2020/21 and subsequent years, as it has been set at the Consumer Price Index (CPI) + 1%. 
7.0 Human Resources considerations:

7.1 None.

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

9.1 These are set out in the main report.

10.0 Risk management considerations:

10.1 See section 3 above.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/External Consultation undertaken:

12.1 The rent report is shared with the board of Blackpool Coastal Housing, which includes tenant and leasehold representatives and independent members.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? No

14.4 If yes, please describe the reason for urgency:
15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If yes, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1
21.0   Call-in:

21.1

22.0   Notes:

22.1
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PROPOSED RENT REVIEW – 2020/21

1 Introduction

1.1 As part of the preparation of the draft 2020/2021 Housing Revenue Account (HRA) Budget, Members are asked to consider the level of rents and service charges to be set in connection with Council Housing dwellings during the next financial year.

1.2 Attached at Appendix A is the draft Budget for the Housing Revenue Account for the year 2020/21. This is after the proposed changes to rents and charges.

2 Projected Outturn 2019/2020

2.1 The projected outturn position for the Housing Revenue Account is also detailed at Appendix A. The main reason for the variation against budget in 2019/20 is the levels of revenue funding required for the Troutbeck development being lower due to variation in the timing of the project.

2.2 There is a projected in year contribution to balances of £210k, compared to a budgeted deficit of £1,057k; this is a positive variation of £1,267k. Audited balances brought forward on 1 April 2019 were £5,705k, therefore projected balances on 31 March 2020 are £5,915k.

2.3 The reasons for any variations against budgets have been reported at quarterly intervals to the board of Blackpool Coastal Housing (BCH), which includes three of the Council’s elected members. The Council’s Director of Resources and Assistant Chief Executive also receive quarterly budget information on the Housing Revenue Account and explanations for any significant variances in performance.
3. **Housing Revenue Account Budget 2020/21**

**Blackpool Coastal Housing Management Fee and Management Agreement**

3.1 The management fee for Blackpool Coastal Housing in 2020/21 will be £9,826k. This is frozen at the same level as in 2019/20, other than £70k for additional posts already agreed and being funded from additional service charges implemented during the current year. The company will be expected to cover inflation wage increases and other budget pressures by generating efficiencies. There will be significant additional pressure by adopting a frozen fee policy as a result of increased pension contributions and wage and salary inflation on top of increased costs in supplies and services. It is likely that in addition to applying efficiency measures across all areas that some level of balances will need to be applied with the risk that they slip below recommended levels.

3.2 The original management agreement between the Council and Blackpool Coastal Housing for managing the Council housing stock is due to expire in 2021. In anticipation of this the Council have commissioned the Housing Quality Network (HQN) to review Blackpool Coastal Housing’s performance and options for future management of Council housing. This is scheduled to take place early in the New Year.

**Treasury Management**

3.3 Treasury Management costs have been calculated with regard to the present and projected levels of interest rates, anticipated borrowing requirements and depreciation. Housing Revenue Account loans are managed by the Council’s Accountancy team, but are kept separate from General Fund loans and investments as legally required. The Director of Resources of Blackpool Coastal Housing is a member of the Council’s Treasury Management Panel.

**Income**

3.4 Rental income is based upon targeted occupancy levels and collection rates. Total rental income has been broadly in line with budget in 2019/20, with the Queens Park redevelopment completed and available for lettings. Issues relating to Universal Credit have continued to make rent collection more challenging, but software solutions continue to be utilised to compensate for this by making rent collection activity more efficient.

**Value for Money (VFM)**

3.5 The Housing Revenue Account operates with a view to generating ongoing operational efficiencies. This has been reflected in procurement activities that have driven down costs and increased the levels of social value generated. Benchmarking with peer organisations also confirms that Blackpool Coastal Housing back office costs continue to be low. The Housing Quality Network review of Blackpool Coastal Housing referred
to in 3.2 above will provide external assessment of the efficiency with which services funded from the Housing Revenue Account are managed.

**Capital Programme**

3.6 The revenue contribution to the Capital Programme is expected to be in the region of £8,946k in 2020/21 (from £7,305k budget in 2019/20). This is to fund agreed redevelopment referred to earlier in this report whilst retaining Housing Revenue Account balances above the agreed minimum level of £1,000,000. Revenue contributions to the capital programme are the preferred option to minimise external borrowing costs.

4. **Housing Revenue Account self-financing for Council Housing**

4.1 Since 1 April 2012 self-financing has been in place for local authority housing provision. This replaced the previous subsidy system with a requirement for Councils retaining a Housing Revenue Account to maintain viable 30 year Housing Revenue Account business plans on a rolling basis. At the onset of self-financing the Council received a one-off capital sum of £41,523,000 offset against the housing related debt held at that time. A maximum debt cap of £35,739,000 was also imposed on Blackpool’s Housing Revenue Account.

4.2 In 2018 the government announced the abolition of the debt caps on local authority Housing Revenue Accounts. In practice this puts the Housing Revenue Account into a similar position to the General Fund with regard to capital investment appraisal, in that there is no maximum level of borrowing that can be undertaken but a robust assessment needs to be undertaken to ensure that proposed schemes cover their costs. In exceptional circumstances it could be justifiable to undertake individual investments that do not break even in the required timeframe, but these would need to be offset by surpluses from other schemes.

5. **National Social Housing Rent Policy**

5.1 In October 2013 a ten-year rent agreement was published by the previous Coalition Government, allowing maximum increases of Consumer Price Index (CPI) plus 1%. This was implemented with effect from 2015/16.

5.2 In October 2017 the Government announced that at the end of the period of rent cuts in March 2020 there would be a five year period where maximum increases would return to CPI plus 1%. This remains the current policy, and given the CPI figure is based on the preceding September means that the maximum rent increase allowed in 2020/21 is 2.7%.
6. **Rent Change for 2020/21**

6.1 Following the rent reductions in 2019/20 the current average rent charged in Blackpool reduced to £67.23 for general rent properties and £90.46 for affordable rent properties. It is proposed that rents for all Housing Revenue Account homes increase at 2.7% (CPI+1%) in 2020/21.

6.2 This is because there has been a fall in the amount of funding available for potential investment in Council housing in Blackpool following four years of nationally determined reductions in rent levels. The proposed Council Homes Investment Plan 2020-25 sets out plans for significant new investment in existing homes and in developing and acquiring new Council housing. The delivery of this investment relies on rents being increased at CPI+1%.

6.3 Vacant properties will continue to be let at the formula/target rent. This is a policy that Blackpool has adopted for several years now.

7. **Other Charges**

**Service Charges**

7.1 Councils can charge separately for services such as cleaning communal areas and gardening, but should not make a profit on these charges. Government policy states that councils should provide tenants with a breakdown of the additional services they receive and the charges for them, so they can see how much they pay for rent and services on an individual basis.

7.2 Listed below are the services currently provided:

- Communal Lighting
- Alarm Systems
- ‘Satellite’ Television Systems
- Communal Cleaning
- Door Entry Systems
- Sheltered Community Centres
- Grounds Maintenance
- Intensive Housing Management
- Community Centres
- Fitted Furnishings

7.3 All of these service charges are eligible for Housing Benefit / Universal Credit in general needs stock, some ineligible services are provided within hostel accommodation.

7.4 Attached at Appendix B is the proposed service charges for 2020/21 relating to Housing Revenue Account services. Existing service charges are shown for each service, with a proposed new charge based on cost of provision. It is proposed to increase service charges by CPI+1% because the costs of providing those services are currently not fully met from the service charges.
Leaseholder Charges

7.5 The Leaseholder Charge, including a management charge, has been calculated to reflect the actual cost of providing the service. Whilst charges to leaseholders are a sensitive area the need to ensure that this customer group is not treated unfairly needs to be balanced against the risk of genuine costs relating to the upkeep of their properties being subsidised by the wider tenant group.

Non-Housing Revenue Account Properties

7.6 These rents are outside of the national social housing rent policy set out in section 5. It is recommended that these charges be increased in line with those for general rents, but Chapel Road pitch fees are to be increased in line with CPI (1.7%) to reflect general increases in costs. This increase is less than the proposed increases in rents for Housing Revenue Account homes because pitch fees have not been subject to rent reductions over the last 4 years.

8. Recommendations for Executive to Recommend To Full Council

8.1 It is proposed that an across the board 2.7% rent increase is implemented for all Housing Revenue Account properties in 2020/21 as outlined in section 6.

8.2 It has previously been agreed by the Council to retain a minimum level of HRA balances of £1,000,000. It is proposed that Housing Revenue Account balances continue to be protected in order to ensure that prudent balances are maintained.

8.3 It is proposed that Housing Revenue Account service charges (as detailed in Appendix B) and other General Fund service charges (as detailed in Appendix C) are charged as recommended.

A LOCKLEY
Director of Strategy and Assistant Chief Executive

S THOMPSON
Director of Resources
## APPENDIX A

### HOUSING REVENUE ACCOUNT

#### DRAFT BUDGET 2020/2021

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<td>(74)</td>
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<td>Grounds Maintenance</td>
<td>(232)</td>
<td>(232)</td>
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<td>OTHER RENTS &amp; CHARGES</td>
<td>(84)</td>
<td>(81)</td>
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<td>Garages</td>
<td>(168)</td>
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<td>Leasehold</td>
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<td>Other Income</td>
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<td>(16)</td>
<td>(90)</td>
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<td>INTEREST INCOME</td>
<td>(104)</td>
<td>(104)</td>
<td>-</td>
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<td>Interest on Revenue Balances</td>
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**CONTRIBUTION (TO) / FROM WORKING BALANCES**: 1,057 (210) (1,267) 2,129

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<td>£000</td>
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## SERVICE - HOUSING REVENUE ACCOUNT

### REVIEW OF FEES AND CHARGES 2020/21

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<th>CLASSIFICATION</th>
<th>DESCRIPTION OF CHARGE</th>
<th>DATE OF LAST REVISION</th>
<th>EXISTING CHARGE</th>
<th>RECOMMENDED CHARGE</th>
<th>INCREASE %</th>
<th>ADDITIONAL INCOME £000's</th>
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<td>Weekly Clean</td>
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<td>1.55</td>
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<td>Fortnightly Clean</td>
<td>April-19</td>
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<td></td>
<td>Monthly Clean</td>
<td>April-19</td>
<td>0.58</td>
<td>0.60</td>
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<td>Communal Lighting</td>
<td>Low and Medium Rise Blocks</td>
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<td>0.51</td>
<td>0.52</td>
<td>2.70%</td>
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<tr>
<td>Door Entry Systems</td>
<td>Low and Medium Rise Blocks</td>
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<td>0.35</td>
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<td>Grounds Maintenance</td>
<td>Open space grounds maintenance</td>
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<td>1.09</td>
<td>1.12</td>
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<td>Supported Housing Service Charges</td>
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<td></td>
<td>Alarm System (Hoyle)</td>
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<td>17.15</td>
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<td>Intensive Housing Management</td>
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<td>24.98</td>
<td>25.65</td>
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<td>Dunlop Court</td>
<td>April-19</td>
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<td>Water</td>
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<td>4.39</td>
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<td></td>
<td>Dunlop Court</td>
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<td>2.58</td>
<td>2.70%</td>
<td>2.6</td>
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<td></td>
<td>Other Sheltered Sites with Access to Community Centre</td>
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<td>1.26</td>
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<td>Private Use of Community Centres</td>
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<td>6.00</td>
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<td></td>
<td>- Per Hour (Non Profit Groups)</td>
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<td>Hostels</td>
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<td></td>
<td>- 1 Bed Unit</td>
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<td>13.87 per day</td>
<td>13.84 per day</td>
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<tr>
<td></td>
<td>- 2 Bed Unit</td>
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<td>13.84 per day</td>
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<tr>
<td></td>
<td>- 4 Bed Unit</td>
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<td>27.82 per day</td>
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<td></td>
<td>- 5 Bed Unit</td>
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<td>34.78 per day</td>
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<tr>
<td></td>
<td>Housing Benefit Ineligible Service Charge</td>
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<td>2.10 per day</td>
<td>2.16 per day</td>
<td>2.70%</td>
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<tr>
<td></td>
<td>Intensive Housing Management</td>
<td>April-18</td>
<td>9.40 per day</td>
<td>9.65 per day</td>
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<td>Dispersed - Intensive Housing Management</td>
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<td>73.94</td>
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<td>HRA Garages</td>
<td>HRA Tenants</td>
<td>April-19</td>
<td>6.97 (+VAT)</td>
<td>7.16 (+VAT)</td>
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<td></td>
<td>1st Letting</td>
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<td>7.16 (+VAT)</td>
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<td></td>
<td>Additional Letting</td>
<td>April-19</td>
<td>6.97 (+VAT)</td>
<td>7.16 (+VAT)</td>
<td>2.70%</td>
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</tr>
<tr>
<td></td>
<td>Non-HRA Tenants</td>
<td>April-19</td>
<td>6.97 (+VAT)</td>
<td>7.16 (+VAT)</td>
<td>2.70%</td>
<td>2.3</td>
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<tr>
<td></td>
<td>Water Charge</td>
<td>April-19</td>
<td>0.38</td>
<td>0.39</td>
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<td>Satellite Television Systems</td>
<td>Hoyle House - Infrastructure</td>
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<td>3.14</td>
<td>3.14</td>
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### Notes
1. All charges exclude VAT unless indicated
2. All charges are per week unless otherwise stated, based on a 52 week year
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<tr>
<th>CLASSIFICATION</th>
<th>DESCRIPTION OF CHARGE</th>
<th>DATE OF LAST REVISION</th>
<th>EXISTING CHARGE £</th>
<th>RECOMMENDED CHARGE £</th>
<th>INCREASE %</th>
<th>ADDITIONAL INCOME £000's</th>
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<td>General Fund Garages</td>
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<tr>
<td></td>
<td>1st Letting (Residential)</td>
<td>April-19</td>
<td>6.97</td>
<td>7.16</td>
<td>2.70%</td>
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</tr>
<tr>
<td></td>
<td>Additional Letting (Residential)</td>
<td>April-19</td>
<td>6.97 (+VAT)</td>
<td>7.16 (+VAT)</td>
<td>2.70%</td>
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</tr>
<tr>
<td></td>
<td>Non-HRA Tenants (Residential)</td>
<td>April-19</td>
<td>6.97 (+VAT)</td>
<td>7.16 (+VAT)</td>
<td>2.70%</td>
<td>0.8</td>
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<tr>
<td></td>
<td>Commercial Tenants</td>
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</tr>
<tr>
<td></td>
<td>Water Charge</td>
<td>April-19</td>
<td>0.38</td>
<td>0.39</td>
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<td>Traveller Site</td>
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<td>APPENDIX C</td>
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</table>

Notes:
1. All charges exclude VAT unless indicated
2. All charges are per week unless otherwise stated, based on a 52 week year
COUNCIL HOMES INVESTMENT PLAN

1.0 Purpose of the report:

1.1 To seek approval of a new Council Homes Investment Plan 2020-2025 that sets out how the Council will invest in its existing homes and in building and acquiring new Council homes to help meet local housing needs. The report also seeks authority to start acquiring homes from the local housing market to add to the Council housing stock.

2.0 Recommendation(s):

2.1 That the Council Homes Investment Plan 2020-2025 is adopted and implemented by the Council for the period up to the 31 March 2025, working with Blackpool Coastal Housing.

2.2 That the Director of Resources be delegated authority to purchase up to 50 homes at market value that best meet the greatest local needs outlined in the Investment Plan, after consultation with the relevant Cabinet Member and Blackpool Coastal Housing. The decision to authorise the purchases is to be in the form of a published Officer decision with a report detailing the rationale behind the purchases and financial viability.

3.0 Reasons for recommendation(s):

3.1 To enable the effective management and development of Council homes to meet local housing needs.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes
3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priorities are:

“The Economy: Maximising growth and opportunity across Blackpool”

“Communities: Creating stronger communities and increasing resilience”

5.0 Background Information

5.1 The Council Plan and the Council’s Housing Strategy both point to the critical role of high quality housing in tackling deprivation and meeting the needs of our residents. A new Council Home Investment Plan 2020-2025 has been prepared to set out how the Council will invest in and further develop Council homes over the next 5 years to provide homes that existing Council tenants can be proud of, and that provide more opportunities for other residents to find homes that meet their needs.

5.2 Blackpool Council is one of only 3 local authorities in Lancashire (out of 14) to still own its own Council housing, and therefore have a separate Housing Revenue Account to fund Council housing from tenants’ rents. As the owner of 4,700 of the town’s homes, the Council has a great opportunity and responsibility, with Blackpool Coastal Housing (BCH) who manage the homes, to use the resource well and to plan for a balance of investment in existing and new homes.

5.3 While this is the first time in recent years that a comprehensive 5 year investment programme for Council housing has been brought forward, it builds on the achievements of delivering the Decent Homes programme (2008-15), the re-development of Queens Park, and other recent developments of new Council homes.

5.4 The new Plan sets out how the Council and Blackpool Coastal Housing will over the next 5 years:

- Build 300 new Council homes, including the 75 currently on site at Troutbeck Crescent, and new homes at Grange Park

- Acquire 250 existing homes that best meet local needs, refurbish them, and let them as Council homes
- Continue to improve efficiency in the maintenance of Council homes, and ensure that safety and the Decent Homes Standard are maintained

- Invest in improving external environments on Council housing estates

- Develop a new Carbon Management Plan and invest to improve energy efficiency in Council homes in support of the Council’s commitment to be carbon neutral by 2030.

5.5 The development and acquisition of 550 homes over the next 5 years by the Council working with Blackpool Coastal Housing will be in addition to acquisitions and refurbishments by Blackpool Housing Company, so that at least 1,000 high quality homes will be brought into the ownership of the Council and its companies over the next 5 years.

5.6 The principal constraint to building even more new Council homes is the lack of available land within the borough boundary. But the level of existing debt in the Housing Revenue Account is very low, so despite a lack of land for new homes there is capacity to invest in acquiring existing homes in the town as long as the costs of acquisition and refurbishment can be met from future rents. In this way, more homes can be provided to people who need the security and affordable rents offered through Council tenancies and management by Blackpool Coastal Housing.

5.7 It is proposed that these acquisitions include homes previously sold on Council estates through the Right to Buy, as well as homes in targeted neighbourhoods that complement the work of Blackpool Housing Company. Most homes will be acquired from private landlords but in limited cases will also include homes sold by owner occupiers who need to move to more suitable accommodation. In this way, we will encourage a better quality rented offer while still protecting owner occupation. The types of homes to be targeted because they are in most demand include family houses, bungalows, and 1 bedroom flats, as evidenced by the Council’s recent Affordability Study.

5.8 Approval is sought to move forward with acquiring the first 50 existing homes to enable a swift start to the delivery of the new Plan. Investment in further developments of new homes will each be subject to future approvals. Capital investment in existing homes through the Housing Revenue Account is subject to annual approval of the Council’s Capital Programme.

5.9 The Plan includes financial and asset management performance measures and an action plan that will be monitored regularly by senior officers of the Council and Blackpool Coastal Housing. The performance measures include indicators that ensure prudent management of the Housing Revenue Account Business Plan. The proposed additional investment is affordable providing it is covered by future rental income, so
it is important that new developments are fully appraised and only proceed if they are financially viable.

5.10 Does the information submitted include any exempt information? No

5.11 **List of Appendices:**

Appendix 4a: Council Homes Investment Plan 2020-25

6.0 **Legal considerations:**

6.1 The Plan seeks to ensure that the Council will meet its responsibilities to its tenants to maintain safe homes in a good state of repair. Capital investment in existing homes will be subject to appropriate tenant consultation, and along with new development schemes, will be subject to Building Regulations and Planning approval.

6.2 The Plan also helps to ensure compliance with the Standards prescribed by the Regulator of Social Housing.

6.3 The relevant legal powers relating to the provision by the Council of housing accommodation and the acquisition of land for housing purposes are contained in the Housing Act 1985. The statutory requirements as to the keeping of a Housing Revenue Account are contained in the Local Government and Housing Act 1989.

7.0 **Human Resources considerations:**

7.1 The delivery of investment to existing Council homes will be managed by Blackpool Coastal Housing within existing resources as set out in the Plan.

7.2 The delivery of new developments will be managed in the same way as other recent schemes, but may require a small increase in staff resources within the Council and Blackpool Housing Company. The programme of acquisition of existing homes will require additional capacity and new systems and procedures to be established. Chapter 8 of the Plan recognises this and prioritises the establishment of new capacity and systems within the first 6 months of delivery. The costs of additional staff to deliver more new homes will be met from the capital costs of the new developments. Having a 5 year plan provides the certainty needed to invest in new staff and systems.

8.0 **Equalities considerations:**

8.1 The mix of new homes will be designed to provide the affordable homes that are in most demand in the area. This will mean that a significant proportion will be
designed to be accessible to people with limited mobility and to be easily adaptable.

8.2 The Council will continue to invest in adapting existing homes so that they meet the needs of tenants with limited mobility.

9.0 Financial considerations:

9.1 The Plan sets out the current position of the Housing Revenue Account Business Plan, showing it to have capacity for further investment, and sets financial performance measures to ensure that investment over the next 5 years is prudent and ensures the continuing viability of the business plan for Council housing.

9.2 It is expected that around a quarter of the cost of investment in new homes will be made available to the Council by Homes England through the Affordable Housing Programme. This is dependent on the Government continuing to make funding available for new affordable homes for rent across the country.

9.3 Investment in new affordable homes will be conditional on development schemes being subject to a rigorous financial appraisal and demonstrating that they have a positive net present value over 30 years.

9.4 Each new development scheme will be subject to separate approval, but this report recommends initial approval to the acquisition of 50 existing homes subject to:

- The costs of the interest on borrowing being met from the programme’s rents net of void costs, management, and maintenance over 30 years
- Rents are assumed to rise at CPI+1% from first letting to 2025/6 and CPI thereafter
- Interest rates assumed for the next 30 years reflect long term averages
- Assumed management and maintenance costs are based on current average unit costs for similar properties, and capital reinvestment is based on a profile modelled to reflect the level of initial refurbishment

9.5 The Council plans to pay interest only on borrowing for new developments and not pay down the capital sum. This would be problematic if there were high levels of Right to Buy (RTB) sales, but numbers have remained at less than 20 per year in Blackpool and so this does not present a significant risk.

9.6 The capital programme to be brought forward for approval for 2020/21 onwards will be consistent with the expenditure commitments in this Investment Plan.

10.0 Risk management considerations:

10.1 The Plan seeks to minimise risk by increasing transparency and ensuring best practice
in the maintenance of Blackpool’s Council housing. Regular monitoring against key performance measures will help minimize the risk of safety breaches, failing to deliver investment, or financial risks.

10.2 There is risk inherent in developing and acquiring new Council homes, so each scheme will have its own project management arrangements that include the management and mitigation of project-specific risks.

10.3 There is a risk that homes developed or acquired by the Council have to be sold through the Right to Buy at a discount, and therefore a cost to the HRA. This risk is mitigated by the relatively low levels of Right to Buy, and also by a statutory limit to discounts that means that purchasers cannot pay less than the original cash value of development for the first 15 years.

11.0 Ethical considerations:

11.1 The Plan is designed to ensure good management of resources to meet residents’ needs, and the detailed allocation of resources and individual projects will be subject to consultation with those affected.

12.0 Internal/External Consultation undertaken:

12.1 Consultation with the Council’s Leadership Team

13.0 Background papers:

13.1 Blackpool Housing Affordability Study, October 2019

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 25/2019

14.3 If a key decision, is the decision required in less than five days? No

14.4 If yes, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
15.2 If yes, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 10 January 2020 Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1
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# Appendix 4a: COUNCIL HOMES INVESTMENT PLAN 2020-2025

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<th>Page</th>
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<td>Policy Context and Objectives</td>
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</tr>
<tr>
<td>3</td>
<td>Housing Revenue Account Business Plan</td>
<td>7</td>
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<tr>
<td>4</td>
<td>Maintaining Our Homes</td>
<td>13</td>
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<td>Improving our homes for the future</td>
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<td>8</td>
<td>Delivering the Investment Plan</td>
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*Appendix 1 – Profile of Council Homes*  | 33   |
Chapter 1 - Introduction

This Council Homes Investment Plan (CHIP) sets out how Blackpool Council, working with Blackpool Coastal Housing (BCH), will invest in Council homes in Blackpool over the next 5 years to March 2025. This includes investment in existing Council homes to maintain them at the Decent Homes Standard and further improve energy efficiency, together with plans to build and acquire new Council homes. This is the first time since the major investment in the Decent Homes Programme (2008-15) that we have publicly set out medium term plans for investment in Council housing, reflecting the new opportunity presented by the removal of Government borrowing restrictions in late 2018.

It is 100 years since the Addison Act kick started the widespread building of Council housing in Britain. The then Minister for Health recognised the fundamental importance of decent quality housing to a person’s health and wellbeing. The Act at that time was a direct reaction to the poor quality housing provision within the private rented sector and aimed to provide quality and affordable accommodation to the troops returning from the First World War and their families.

Council housing continues to have a very important role to play today. Most people on low incomes in Blackpool live in the growing private rented sector but standards of property condition and management are often poor, there is little security of tenure, and many households struggle to afford the rent. We want Council homes to be homes that residents are proud of and to provide the benefits of a secure and affordable home to as many local people as possible.

The Plan starts by looking at the role that Council housing plays in Blackpool, and the current position of the business plan for Council housing – our Housing Revenue Account. We’re planning to be ambitious in using the financial resources available to us to provide quality affordable homes for local residents but at the same time acting responsibly to ensure that we can continue to fund investment in Council housing over the long term.

This new Plan sets out how the Council and BCH will over the next 5 years:

- Build 300 new Council homes, including the 75 currently on site at Troutbeck Crescent, and new homes at Grange Park
- Acquire 250 existing homes that best meet local needs, refurbish them, and let them as Council homes
- Continue to improve efficiency in the maintenance of Council homes, and ensure that safety and the Decent Homes Standard are maintained
- Invest in improving external environments on Council housing estates
- Develop a new Carbon Management Plan and invest to improve energy efficiency in Council homes in support of the Council’s commitment to be carbon neutral by 2030.

The development and acquisition of 550 homes over the next 5 years by the Council working with Blackpool Coastal Housing will be in addition to acquisitions and refurbishments by Blackpool Housing Company, so that at least 1,000 high quality homes will be brought into the ownership of the Council and its companies over the next 5 years.
Chapter 2 - Policy Context and Objectives

National Context

The tragedy at Grenfell Tower in June 2017 has led to a renewed focus by central Government on how Council housing is managed and how decisions are made about investment in the housing stock. A “New Deal for Social Housing” Green Paper published in August 2018 sought to change attitudes towards Council homes, and later in 2018 Government announced that borrowing restrictions would be lifted so that a new generation of Council housing could help contribute to the supply of much needed new affordable homes.

It hasn’t always been like that. For a generation from the 1980s onwards, successive Governments were reluctant to allow investment in building new Council homes, and oversaw a sell off of much of the Council housing stock through the Right to Buy. There was also encouragement to transfer Council homes to housing associations to enable sufficient investment in the existing stock.

The Decent Homes programme (from 2008 in Blackpool) did, however, allow for a significant injection of funding to improve the existing housing stock. Blackpool Council homes benefitted from £60 million of investment over the following few years, delivered by Blackpool Coastal Housing who were set up as an Arms-Length Management Organisation.

In 2012, Council housing in each local authority area became “self-financing”, so that investment was less directly controlled by Government but each local authority had to balance its own books. But Government remained reluctant to allow investment in new Council homes; grant funding for new homes looked to promote owner occupation through Shared Ownership rather than homes for rent, and the Right to Buy of Council housing was further boosted with bigger discounts and lower qualifying periods.

A direct consequence of Grenfell Tower has been a review of fire safety in tall buildings. In Blackpool, we no longer have tower blocks and our stock is relatively low risk, so there are unlikely to be many direct requirements for investment to address building defects. But there will be changes to Building Regulations, and the Regulator of Social Housing is likely to have increased powers to ensure that Council housing is kept safe. The basic standards required in social housing are also likely to be reviewed, and there is likely to be an expectation of a greater role for tenants in investment decisions.

Another key development nationally is the growing emphasis on carbon reduction. While Government has slashed the resources available for retrofitting improved insulation and heating systems, it is likely that new gas boilers will be banned from new homes from 2025, and Government is consulting on upgrading Part L of the Building Regulations so that carbon emissions from new homes are 30% lower. While there are currently no explicit requirements to upgrade existing homes, they are likely to come over the next few years.

The removal of the borrowing cap from late 2018 removes a restriction on the total amount of outstanding debt so that Councils can borrow to invest in more homes as long as rents can cover the costs of repayment. This change in Government policy offers significant opportunities to Blackpool Council in developing new homes within the town, and in buying existing homes within existing
Council housing estates (buying up former Right to Buy accommodation) and beyond (for example, taking homes from the private rented sector). But there are still threats to new investment from the Right to Buy and a lack of certainty on the future availability of grant funding for new affordable homes. There is a general lack of clarity on national UK housing policy following the December 2019 general election, but locally we will continue to do whatever we can to meet local needs.

Local Context

The existing stock of social housing in Blackpool is small, at around 7,000 homes - 10% of all homes in Blackpool compared with the national average of 17% of all homes. 4,700 of these social homes are Council homes. Blackpool Council’s re-development programmes since 2012 have addressed major issues like the tower blocks at Queens Park and replaced them with much better quality housing, but have resulted in a net loss in the number of Council homes.

Right to Buy further depletes the Council housing stock although applications have been suppressed by few people having secure employment to purchase even at highly discounted rates, and levels of sales have remained at less than 20 each year. Most of the homes sold under the Right to Buy in Blackpool have subsequently been sold into the private rented sector. Those homes sold under the Right to Buy can’t be replaced as most of the receipts have to go back to central Government.

Current social housing falls well short of demand. The turnover of existing social housing has reduced significantly over the last few years so that only around 650 social rented homes become available in Blackpool each year compared with around 1,000 a year a few years ago. It is positive that tenants want to stay for longer, but this trend further reduces the opportunity for new tenants. The housing register receives around 3,500 applications each year in Blackpool from people who would like to find a social rented home, but most of these stay in the private rented sector because there are nowhere near enough social rented homes to satisfy this demand.

Blackpool’s Housing Strategy 2018 sets out the ambitions for improving housing across the town. Social housing, and Council housing in particular, has a critical role to play while residents struggle to access good quality housing in other tenures. While homes in Blackpool’s large private rented sector are accessible to benefits claimants, they are often of poor quality and don’t offer the same security of tenure as Council housing. For working people on low incomes, private rents can be expensive, so that it is hard to make ends meet. It is cheaper to buy a home outright in Blackpool than to rent, but low incomes and insecure employment make it difficult to raise a deposit and satisfy the conditions of mortgage lenders. There are also gaps in the kinds of homes that are available in the private rented sector, with an over-emphasis on small flats and a lack of good quality accommodation for families and people with limited mobility.

There are broadly three groups of people who benefit most from Council housing and who we give priority to when we allocate homes:

- People in housing need whose current housing (or lack of housing if they are homeless) is inadequate and they quickly need to find somewhere else to live

- Workers on low incomes who are looking for lower cost housing that they can afford and that gives their families security
People with long term illness or disabilities or who are becoming frail with age, and need homes that are secure, physically accessible, and may come with support

These groups are not mutually exclusive, but the numbers in each group in Blackpool far exceed the availability of social housing. For example, 30% of all households (around 20,000) in Blackpool receive help with their housing costs through Housing Benefit or Universal Credit. 20% of working age households in Blackpool - nearly 9,000 - have no-one in work, and this is double the national average. Of this 20%, two thirds are long term sick and receiving disability related benefits. The 13% of working households who receive disability benefits is the highest proportion in the country.

While most older households are owner occupiers, there are growing numbers of older people who need support and could benefit from the right offer of sheltered housing in the social rented sector. There will also be more older people living in the private rented sector in future as the prevalence of private renting has grown and the large cohort of middle aged renters reaches retirement age.

Blackpool Council’s Affordability Study 2019 sets out that despite relatively low house prices, it is challenging for many households to access home ownership in Blackpool given the fragility and low pay of employment within the town. Individuals find it difficult to build up deposits big enough to enable them to secure a mortgage or have poor credit histories.

In order of priority, the greatest needs for new affordable rented housing are:

- 2 and 3 bedroom family houses
- Bungalows and housing adapted for people with limited mobility
- 4 bedroom houses for large families
- 1 bedroom flats

The balance of new homes in any one location should complement the existing local supply and ensure that the local neighbourhood provides a full and balanced mix of house types and tenures.

Recent Investment in Council housing

The Decent Homes programme invested in bringing existing Council homes up to the Decent Homes standard. But there were some homes that were unpopular and would have needed disproportionate investment to make them fit for the future. This included the tower blocks at Queens Park that were dominated by single person accommodation and added to the transience typical of the private rented sector in the town. The Council also took new opportunities to access Homes England capital grant funding from 2011 onwards, starting a new programme of Council house building, the re-development of unpopular stock, and some conversions of small flats to houses to address a lack of family housing.

This programme has included:

- 40 new 2 – 4 bedroom Council houses at Grange Park, and at Bispham garage sites completed in 2011.
- The conversion of flats to houses at Caton Grove and Mansfield Road, Layton, conversions of flats to houses around Horsebridge Road, and de-conversions of flats back into family houses at St John’s and Haweside completed in 2014/15.
• Re-development of the whole of the Queens Park estate containing 487 flats and maisonettes in 5 tower blocks and associated low rise flats, and replacement with 191 exceptional quality family housing and high quality flats between 2013 and 2018.
• New flats for people with learning disabilities, and family housing at Hoyle House, Grange Park, completed in 2019.
• Re-development of 81 flats and bedsits at Troutbeck Crescent, Mereside. This has recently started on site and will create 75 new homes.

Condition of Council housing

Blackpool Council’s housing stock is generally sound, safe, and meets the Decent Homes standard. It is almost entirely traditionally constructed, and low rise, so relatively simple to maintain. However, much of it was built post-War between 1945 and the 1970s so needs on-going re-investment. Our approach to asset management has been to ensure compliance through planned investment programmes that address issues before properties fall out of the decency standard. Regular checking and testing of the stock takes place to ensure safety and compliance with regulatory requirements and to mitigate risks. We also ensure that structural issues with the stock are picked up early, giving time to consider options for the future of the stock before it becomes urgent.

Council housing in Blackpool, as in many cities and towns struggles with reputation; much of the stock is of a standard design and highly recognisable as Council housing. There has been a programme of improving the external facades of buildings and environmental improvements. In areas where this approach has been taken, they have proved popular and increased the demand for the accommodation. This Plan aims to build on this work. Capital investment will complement work with partner agencies to support community development activities, increasing community resilience and cohesion and increase the popularity of Council estates.

Priorities for Capital Investment over the next 5 years

• To continue to maintain the Council’s housing stock to the Decent Homes Standard.
• To continue to develop schemes to improve the external façade and environments of Council estates to improve the aesthetic appeal of the stock.
• To identify Council housing stock which is failing from both a structural and/or financial perspective and develop approaches to address this to improve the quality overall housing supply in the town.
• To develop approaches and explore new technologies to reduce the carbon footprint of Council housing and encourage a similar approach in the private sector.
• To expand the Council’s housing stock through new housing developments and acquisitions.
Chapter 3 – Housing Revenue Account Business Plan

Overview

The Housing Revenue Account (HRA) is the income generated and expenditure incurred in providing Council homes. Income comes from rents and service charges from Council homes and expenditure has to cover management and repair costs as well as paying off any capital investment, including borrowing to build new homes. The HRA is a ring fenced account within Blackpool Council, meaning that it is entirely separate from the Council’s main budget (the General Fund) that pays for other Council services. In simple terms rents cannot be used to subsidise Council Tax charges, and vice-versa.

Income and expenditure has to balance over time, and the funds available for investment in improving Council homes or building new Council homes are dependent on rent levels, how well rent is collected, and how efficiently day to day management and maintenance services are run. There wasn’t such a direct link before 2012 when there was a subsidy system in place controlled by central Government. But now the Council’s Housing Revenue Account needs to meet its expenditure commitments in the medium to long-term (repairs, housing services and planned maintenance / enhancement) from its income (primarily rents and service charges).

The principle of self-financing is that each Council has the autonomy to make its own decisions about rent levels and the services it offers, subject to complying with Government directions on maximum rent increases. In Blackpool, there is an annual HRA budget setting process that runs parallel to the General Fund budget setting. Each year, the Council sets the changes to rents and service charges, and the amount to be paid out to BCH for management and day to day maintenance of Council housing. At the same time, the Council agrees a capital budget for Council housing that includes both major expenditure on existing homes and the amount to be invested in new Council housing developments.

Government has intervened in rent setting for Council housing (and all other social housing) quite significantly over the last four years, requiring that the total of all rents was reduced by 1% each year from 2016/17 to 2019/20. From April 2020, a new policy will apply which will allow Councils to increase rents by a maximum of the Consumer Price Index (currently 1.7%) plus 1%.

Current Position of the 30 year HRA business plan

The forced reduction in rents in each of the last 4 years has had a significant impact but Blackpool Council’s HRA Business Plan remains in a healthy position. The graph below shows that without any further investment in new homes, HRA balances would be projected to rise over the next five years. It is planned that HRA balances will not be allowed to rise to the levels shown in the graph below but are kept below £10million over the next 5 years as surpluses are used to help fund additional investment in Council homes rather than building up reserves.
The black line on the chart below shows that total debt remains low at £11 million, and without investment in more new homes it is projected to get even lower. Blackpool Council’s HRA was one of the few to have debt cancelled on self-financing in 2012 rather than pay money to the Government, and as a result we currently have very low levels of debt compared with other HRAs. The chart also shows in the red line the level of the debt cap (around £35 million) that was imposed by Government until late 2018, and the purple line shows the new planned maximum debt at £60 million that will enable the delivery of the new homes planned in this Council Homes Investment Plan over the next 5 years.
The most important elements of HRA expenditure that drive the business plan are:

- Costs of management and day to day repairs and servicing – this cost which is paid by the Council as a fee to BCH is currently running at approximately £9.8m per annum, around half of which pays for management and half for repairs. The service has been restructured to increase efficiency and compares well with other authorities’ costs.

- Future planned and cyclical maintenance in existing homes. This is a key driver of the expenditure side of the business plan. The underlying capital expenditure on existing homes is currently around £3.5 million per annum. Major “catch up” Investment through the Decent Homes programme has led to less capital investment being needed currently, but larger ‘spikes’ in expenditure are expected to be required in future years as building components wear out and need to be replaced, in particular 2037-40 (£42.8m in three years). Nonetheless, projected expenditure to maintain existing homes will broadly be met entirely from income from rents over the lifetime of the 30 year business plan. The planned capital programme for investment in existing homes is as shown below:

![HRA Capital Programme](image)

- Investment in new homes. While it is costly to build new homes, and increases the amount of outstanding debt, it should not lead to a worse financial position in the long term providing the future rents for the new homes are sufficient to cover the costs of borrowing and future management and maintenance.

*Maintaining a viable business plan*

All Council HRAs must demonstrate that they are sustainable for a period of at least 30 years into the future. The 30 year business plan models expected future expenditure against expected future income. Any rent reductions mean that income will be lower than anticipated for the life of the business plan because income will shift to a lower starting point. Income is also threatened if not all
rent is collected (for example, if Universal Credit makes it harder for tenants to pay) or if homes are not quickly re-let when they become empty.

The key financial indicators which will be kept under review are:

1. **Total level of debt** - We plan that total debt will not exceed 50% of the stock valuation (currently £60 million on a £120 million valuation). The current baseline (2019/20) is total debt of £11 million

   Until recently there was a debt cap centrally determined for each HRA, and the HRA could not exceed this level of debt at any point during the 30 year projections. While this enabled sufficient investment in existing homes it limited the borrowing that would be required for a major programme of new homes. While the Council can now theoretically borrow at whatever level it wishes as long as it can demonstrate that it is able to meet ongoing debt obligations, in practice, it would be risky to have unlimited debt of hundreds of millions of pounds. It is prudent to link the total level of debt to the value of the housing stock and annual rental income.

   To kick start redevelopment following the ending of the debt cap and mandatory rent reductions the Council plans to pay interest only on new developments and not pay down the capital sum. This would be problematic if there were high levels of Right to Buy (RTB) sales, but RTB numbers have remained at less than 20 p.a in Blackpool and so do not present a significant risk to the programme. Nonetheless, borrowing needs to be carefully managed and debt levels ultimately need to remain fully affordable.

2. **HRA balances** – We plan to keep HRA balances within a range between £1 million and £10 million, compared with £5.7 million currently

   Some levels of reserves are appropriate to cope with potential unforeseen events. It is also important however that reserves are not excessive, as in effect this carries an opportunity cost in terms of potential investment that is foregone.

3. **Interest cover** – We plan that the interest cover ratio will not be less than 2.5, compared with 5 currently and a current national average of 1.93

   With the removal of the debt cap, interest cover becomes more relevant. This is conventionally measured as turnover less operating costs divided by interest costs. It is a measure of ability to service debt costs in the future. As borrowing levels have been artificially suppressed by the HRA debt cap most Councils currently have relatively high interest cover ratios, and Blackpool especially so, but care is required to ensure that the ratio of income to debt servicing costs does not become too low.

4. **BCH management fee** – We plan that the cost of managing and providing responsive maintenance to Council homes will remain at the current level of an average of £2,090 a year
Blackpool Coastal Housing manages the Council’s housing stock on its behalf. The level of the annual management fee is a broad measure of the efficiency of the wholly owned company in managing Council homes day to day, particularly when taken in conjunction with key performance indicators on repairs, housing management and overall customer satisfaction.

5. Development appraisal

All new HRA development schemes need to be financially viable, as otherwise they are a drain on the wider HRA. We will ensure that comprehensive development appraisals are completed before committing to each new development scheme, and that over a whole development programme there is a positive net present value over 30 years. Rent levels are a key part of this and the more stable and long term rent policy is the more certainty there can be in effectively assessing the viability of new schemes.

6. Rent collection – We plan that Current Tenant Arrears will be no more than 2% and rent collection will be at least 99.5%

There will always be some rent, service charges, and recharges that cannot be collected from tenants and leaseholders, but maximising collection enables full resources to be available for investment in Council homes.

Sensitivity analysis is undertaken regularly and will continue to be undertaken to ensure that the HRA business plan remains robust as the economic and regulatory environment changes, but the key drivers for the viability of the Housing Revenue Account are the levels of rental income (rents charged and collection rates) and the capital programme.

New development scheme viability

All proposed new developments will need to demonstrate that they are financially neutral at worst, i.e. no capital schemes within the HRA should have a negative net present value. This is the same state of affairs as applies in the General Fund, where under ‘prudential borrowing’ discretionary capital schemes are required to show that they pay for themselves including borrowing costs. In general, given that social housing has lower than market rents, some kind of grant funding is usually required to make schemes financially viable.

In the event that a scheme cannot be demonstrated to be able to cover its costs, but it is decided to go ahead for other reasons, then there needs to be other development(s) which generate(s) a surplus sufficient to cover the losses predicted in undertaking the other scheme.

Rent Policy

Each year central government publishes a limit rent for every local authority, which sets out the maximum average rent that can be charged based on existing rent levels. In Blackpool the rent increases over a number of years were lower than the maximum permitted, and then in the last four years a reduction has been mandatory. As a result the average rent for Blackpool Council social tenancies is £67.72 per week, whilst the limit rent the Government say cannot be exceeded is £70.38.
Going forward the Government have confirmed that the maximum annual social housing rent increases will be Consumer Price Index (‘CPI’) inflation rate plus 1% from April 2020 for a period of five years. It is planned that rents will be increased at the maximum allowed by Government over the next 5 years, currently expected to be CPI + 1% each year. This will have some impact on tenants who pay their own rent, but as the starting point is that rents are 4% lower than 4 years ago, the net impact will be for rents to still be cheaper in real terms in 2025 than they were in 2015. The majority of tenants whose rent is paid entirely through Housing Benefit or Universal Credit will be unaffected.

*Treasury Management*

Good treasury management is an important contributor to the viability of the HRA, as the interest rates that can be obtained on loans will be a key factor in determining whether any borrowing for future development is viable.

In the past the only option for borrowing was to use the Public Works Loan Board (PWLB) as it has always been cheaper than any other alternative. The situation is more fluid at present and future borrowing needs to be carefully considered to obtain optimum rates in accordance with the Council’s wider treasury management strategy.

*Other Factors*

Right To Buy has only been a marginal issue in Blackpool since self-financing. In essence the number of tenants who are able to get mortgages to buy their properties has been relatively low, and Blackpool has much lower rates of Right to Buy than are found in most other areas. In a situation where the local economy improved it is possible that Right To Buy levels could become more significant.

As well as rent levels, rent collection rates are also significant to HRA viability. The introduction of Universal Credit has increased the challenge of bringing in the rent, and a number of steps have been taken to counter this including introduction of analytical software to enable the Rents Team to better target their workload.
Chapter 4 - Maintaining Our Homes

There are currently 4,689 Council homes managed by BCH. These are predominantly self-contained units and include 788 sheltered homes for older people. Only 49 out of the total are non-traditional in construction.

Every year the Council agrees a capital investment programme with BCH, based on the planned maintenance works that are needed to keep our homes up to the Decent Homes Standard over the long term. This is agreed and funded from the Housing Revenue Account each year and includes:

- External component replacements
- Internal component replacements
- Communal component replacements
- Energy Improvements
- Improvements to landscaping and the external environment

The projected HRA capital programme expenditure on existing homes, to continue to meet the Decent Homes Standard and other legal requirements, and to invest in improved energy efficiency and estate environments as set out in Chapter 5, is:

<table>
<thead>
<tr>
<th></th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
<th>2023/24</th>
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</thead>
<tbody>
<tr>
<td>Capital maintenance</td>
<td>4,560,000</td>
<td>4,043,910</td>
<td>3,008,010</td>
<td>3,544,650</td>
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<tr>
<td>Adaptations</td>
<td>385,000</td>
<td>385,000</td>
<td>385,000</td>
<td>385,000</td>
</tr>
</tbody>
</table>

BCH are also responsible for providing day to day repairs that respond to individual tenants’ requests, and carrying out repairs to properties that become empty before they are let to new tenants. The cost of these repairs comes from the overall management fee paid from the HRA to BCH each year. This accounts for around £5m of BCH’s fee each year and covers:

- Responsive repairs
- Void repairs
- Servicing – Gas, Electric, Lifts, Fire Alarms etc.
- Grounds Maintenance
- Cleaning of Communal Areas.

The projected budget for each of these areas is detailed below.

<table>
<thead>
<tr>
<th>Contracts and Day to Day Management</th>
<th>2019-20 (£000)</th>
<th>2020-21 (£000)</th>
<th>2021-22 (£000)</th>
<th>2022-23 (£000)</th>
<th>2023-24 (£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Void Repairs and Maintenance</td>
<td>994</td>
<td>1,014</td>
<td>1,034</td>
<td>1,055</td>
<td>1,076</td>
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<tr>
<td>Responsive Repairs and Maintenance</td>
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<td>1,036</td>
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<td>Electrical</td>
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<td>291</td>
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<td>Gas</td>
<td>695</td>
<td>708</td>
<td>723</td>
<td>737</td>
<td>752</td>
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<tr>
<td>Communal Cleaning</td>
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<td>52</td>
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<td>54</td>
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<tr>
<td>Grounds Maintenance and Gardening</td>
<td>340</td>
<td>347</td>
<td>354</td>
<td>361</td>
<td>368</td>
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<tr>
<td>Hostels</td>
<td>476</td>
<td>485</td>
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<td>505</td>
<td>515</td>
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</tbody>
</table>
### Contracts and Day to Day Management

<table>
<thead>
<tr>
<th></th>
<th>2019-20 (£000)</th>
<th>2020-21 (£000)</th>
<th>2021-22 (£000)</th>
<th>2022-23 (£000)</th>
<th>2023-24 (£000)</th>
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<tbody>
<tr>
<td>Sheltered Accommodation</td>
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<td>605</td>
<td>617</td>
<td>629</td>
<td>642</td>
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<td>Digital TV (IRS)</td>
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<td>81</td>
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<tr>
<td>Lifts and Lighting</td>
<td>73</td>
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<tr>
<td>NNDR – Void Properties</td>
<td>60</td>
<td>61</td>
<td>62</td>
<td>64</td>
<td>65</td>
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<tr>
<td>Mechanical and Electrical Repairs</td>
<td>109</td>
<td>111</td>
<td>114</td>
<td>116</td>
<td>118</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,761</strong></td>
<td><strong>4,856</strong></td>
<td><strong>4,953</strong></td>
<td><strong>5,052</strong></td>
<td><strong>5,153</strong></td>
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</tbody>
</table>

### Investment Drivers

The drivers of investment planning for the Council and BCH in order of priority are:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Details</th>
<th>Examples</th>
</tr>
</thead>
</table>
| 1        | Keeping our tenants safe | • To comply with all H&S regulation and legislation.  
• To remove H&S risks | Asbestos Management, Gas Regulations, Water Management, Fire Safety (incorporating changes following Grenfell report) |
| 2        | Legislation & Government Policies | • To comply with all legal requirements  
• To comply with Government investment requirements and standards | Housing, Landlord & Tenant Act, Case Law, DDA, Right to Repair etc., Housing (Fit For Human Habitation) Act, Decent Homes Standard, Regulator of Social Housing Standards, Energy Targets |
| 3        | Local Policies – Meeting Blackpool Housing Needs | • To achieve Council objectives, vision and values  
• To meet service standards  
• To undertake projects and initiatives in line with the Council’s Climate Emergency proposals | Planned programmes, Responsive Repairs timeframes, Environmental projects; Balanced Scorecard |
| 4        | Local Requests | • Service demands which fall outside of the above and are often in reaction to service failures or due to limited funding availability | Requests from MP’s, Local Councillors, Community, Residents, Staff |

Fire safety has and will continue to be a priority area for asset investment. Blackpool Council is fortunate in not having any high rise blocks, but there is still a substantial budget for fire upgrade works. This budget is utilised to continually undertake Fire Risk Assessments at the required properties identified by the Regulatory Reform (Fire Safety) Order 2005 legislation. The remainder of the budget is used to carry out remedial works to ensure that properties are fully fire safety compliant.
We will incorporate any changes in our fire policy and procedures directed by future legislation following the Grenfell Inquiry.

**Ensuring that all homes meet the Decent Homes Standard**

With the completion of the Decent Homes programme in Blackpool in 2015, and subsequent planned maintenance works programmes, all but three Council homes meet the Decent Homes Standard. These three properties only fail because they have solid fuel heating and residents have refused replacement gas central heating systems.

Every year further properties become non-Decent or potentially non-Decent because some of the building components are due for replacement. The Council and BCH will continue to ensure that properties remain Decent by delivering smart investment programmes based on stock data, repairs history, staff knowledge and adopting a ‘just in time’ approach.

The criteria set out within the Decent Homes Standard (DHS) are still a useful measure of the investment needs of our homes. To be considered ‘Decent’ a property must:

- **a) Meet the current statutory minimum standard for housing**
  Dwellings which fail to meet this criterion are those containing one or more hazards assessed as serious (Category 1) under the Housing Health and Safety Rating System (HHSRS)

- **b) Be in a reasonable state of repair**
  Dwellings which fail to meet this criterion are those where either:
  - One or more of the key building components are old and, because of their condition, need replacing or major repair; or
  - Two or more of the other building components are old and, because of their condition, need replacing or major repair.

- **c) Have reasonably modern facilities and services**
  Dwellings which fail to meet this criterion are those which lack three or more of the following:
  - a reasonably modern kitchen (20 years old or less)
  - a kitchen with adequate space and layout
  - a reasonably modern bathroom (30 years old or less)
  - an appropriately located bathroom and WC
  - adequate insulation against external noise (where external noise is a problem) and;
  - adequate size and layout of common areas for blocks of flats

- **d) Provide a reasonable degree of thermal comfort**
  This criterion requires dwellings to have both effective insulation and efficient heating. It should be noted that, whilst dwellings meeting criteria b, c and d are likely to meet criterion a, some Category 1 hazards may remain to be addressed; for example, a dwelling meeting criterion d may still contain a Category 1 damp or cold hazard.

**Understanding what investment is needed**
Effective asset management begins with reliable stock condition data. BCH’s stock condition database, ECMK Integrator, provides essential information to allow for the planning of future investment works, Decent Homes Standard compliance, energy ratings and asbestos management.

It is only when the stock condition database is well managed, that sound investment planning can begin. BCH has invested a great deal of time in understanding the stock and collecting better data to make informed decisions and has a designated member of staff who has responsibility for the upkeep of the database.

A new database provided by Orchard Assets will be introduced from 2020. This will enable planned maintenance to be joined up with the management of responsive repairs and repairs at re-letting, enabling predictive maintenance and more efficient repairs programmes.

Regular stock condition surveys are essential to understanding and delivering the investment needed in existing homes. Data on over 50% of properties is based on physical surveys, with this data being ‘cloned’ to populate similar archetypes in the same street. The aim is to continue surveying more of these cloned properties to ensure the data is as accurate as possible. All surveys are completed by BCH surveyors and not by consultants. In-house staff then have more direct knowledge of the properties including when previous planned works have been undertaken.

It is our target to complete a minimum of 20% stock condition surveys each year. New surveys will be focused on properties that haven’t been physically surveyed before, and properties expected to be included in forthcoming investment programmes. In this way programmes of work are first outlined on the basis component life cycles from the database, but then refined based on physical surveys.

To ensure that information on each property continues to be kept up to date, BCH will ensure that:

a) All work completed through planned programmes is entered directly onto the stock database at the end of each project.

b) Where components have been replaced or asbestos removed prior to re-letting, this is also recorded in the stock database.

c) Stock condition surveys on samples of properties are undertaken on 20% of properties every year.

d) Surveys of communal areas are conducted at the same time as asbestos inspections.

e) Mini-stock condition surveys are undertaken every time a property becomes empty. This will allow any missing data from the stock database to be rectified as well as refining expected component lifecycles.

f) Stock data will be used every year to review the three and thirty year financial cost plans and update the HRA Business Plan.
Getting the Right Balance between Planned and Responsive Maintenance

Investment needs to strike the optimum balance between responsive repairs, repairing void properties, planned programmes, cyclical servicing, renewals, new build schemes, acquisitions and disposals. Fundamental targets for the investment planning process are:

- To reduce unnecessary spend on responsive repairs by introducing smarter planned preventative maintenance programmes.
- To rationalise planned programmes to ensure they deliver value.
- To avoid unnecessary expenditure and only invest when needed.
- To establish volumes of work in advance to enable efficient delivery and plan future procurement requirements.
- To provide greater certainty for residents about works to their homes.

The split between the planned and responsive maintenance budgets will be reviewed. The 2019/20 budget shows £3,688,000 of planned work and £990,000 for responsive repairs. This equates to a 73/27% split, compared with a 68/32% split in 2018/19. The introduction of the new Asset Database provider, Orchard, will assist with this review, as all records of planned, responsive and void works will be located in the same place.

This will ensure that Asset Investment will be more joined up, affording staff the ability to interrogate the system fully to analyse repair costs of properties/components and allow a predictive maintenance element to be incorporated into the investment planning process.

Effective Delivery of Maintenance Services

BCH deliver responsive repairs, void repairs, planned maintenance, cyclical servicing, adaptations and grounds maintenance. These are delivered by a combination of contractors and an in-house team. The arrangements for all services are set out below:

<table>
<thead>
<tr>
<th>Core Service</th>
<th>Contractor</th>
<th>Contract In place</th>
<th>Length of Contract</th>
<th>Renewal Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsive Repairs</td>
<td>BCH Operations Team</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Void Repairs</td>
<td>BCH Operations Team</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Planned Maintenance</td>
<td>BCH Operations Team</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>External Contractors</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Adaptations</td>
<td>Read &amp; Errington</td>
<td>Yes</td>
<td>10 Years</td>
<td>2030*</td>
</tr>
<tr>
<td>Ground Maintenance</td>
<td>Bambers Remedial</td>
<td>Yes</td>
<td>3 Years</td>
<td>2020</td>
</tr>
<tr>
<td>Gas Servicing &amp; Maintenance</td>
<td>Read &amp; Errington</td>
<td>Yes</td>
<td>10 Years</td>
<td>2030*</td>
</tr>
<tr>
<td>Ground Maintenance</td>
<td>Fylde Council</td>
<td>Yes</td>
<td>5 + 2 Years</td>
<td>2023</td>
</tr>
<tr>
<td>Electrical Repairs &amp; Maintenance</td>
<td>Tech Electrical</td>
<td>Yes</td>
<td>5 + 2 Years</td>
<td>2021</td>
</tr>
</tbody>
</table>

*It should be noted that the two gas contracts have recently been procured as one ‘all in’ contract. The revised contract will commence from April 2020.
We aim to deliver a value for money repairs service that is ‘right first time’ and meets the needs of residents. We also aim to produce and deliver coordinated planned programmes that achieve value for money and offer certainty for residents.

The current arrangements are working well and have been in place for some time with established contractors, delivering good quality services to our residents. We will continue to keep under review the performance of the in-house team and external contractors to constantly push to improve the quality of the services being delivered.

The in-house Operations Team was reviewed in 2018, leading to improvements in their all-round ability to deliver the responsive and void works required. A separate Capital Team was also established to deliver more planned maintenance work in-house, e.g., kitchen and bathroom replacement, and also to offer this service to other organisations/ Council-owned companies. There are currently 27 operational staff employed by BCH in in-house maintenance teams. Progress following the review has been encouraging, with all targets being met. This will continue to be monitored to ensure the teams within Operations are operating to optimum levels.

The Gas Servicing and Maintenance contract was recently reviewed to investigate the possibility of bringing this service in-house. It was decided to continue with outsourcing this contract, but to test the market by re-tendering the contract.

There are clear advantages of delivering more work in-house in being better able to control quality and cost, but it also gives the opportunity to support employment within Blackpool and ring fence some opportunities for tenants.

Reviewing each area of work in more detail:

1. Responsive Repairs
This work is primarily completed in-house using BCH operatives. There are occasions for larger or specialist jobs, where external contractors are used. Repairs to gas and electrical systems are completed by the contractors noted in the table above.

BCH operate a system of booking repairs appointments through a scheduling system and mobile working through operatives PDA’s and adopting multi-tasking within the workforce. This approach allows BCH to:

- Reduce the cost of delivery by doing the job ‘right first time’ through improved diagnostics, an effective appointment system, a multi-skilled and well trained work force, mobile working and properly stocked vans.

- Continue to analyse the proportion of emergency repairs to identify trends and set targets to reduce this type of work.

- Identify repair hotspots and develop strategies to address individual and collective issues.
• Reduce the overall volume of responsive repairs through planned programmes, batched repairs and predictive analysis. As referenced in section 4, the intention is to link the stock database and repairs systems to allow predictive maintenance to play a major factor in formulating investment programmes.

2. Works when homes become empty
As with responsive repairs, these are delivered in-house, with back up from contractors if required. Asbestos surveying and removal is currently delivered by external contractors. Gas and electrical works are also completed by the contractors detailed in the table above.

The new BCH Voids Policy will set new standards and procedures, ensuring consistency and providing a sound platform for sustainable tenancies. In conjunction with Lettings and Housing Management departments, the new policy will be developed to:

• Take into account if, where units suffer from low demand, some properties may receive enhanced works in order to attract more prospective tenants.

• Provide incentives to encourage tenants to leave their home in a good state of repair.

• Optimise the use of recharges where previous residents have left property in disrepair.

3. Planned Programmes
As referenced in the table above, large planned maintenance projects are delivered by a combination of external contractors and the newly established BCH Capital Team. These programmes include:

• Kitchens (BCH Operations)
• Bathrooms (BCH Operations)
• Heating Upgrades (Read & Errington)
• Roofing and Roofline Works (Contractors and BCH Operations)
• Windows and Door Replacements (Abelglass)

Where contractors are utilised for planned programmes where there is not a contract in place, these are tendered competitively utilising contractors from BCH’s Approved Contractor List. This is time consuming and the number of reliable medium sized contractors in Blackpool has reduced in recent years. Therefore a procurement exercise is currently underway to appoint a select list of contractors to carry out the following work types:

• Roofs
• Windows
• Doors
• Fascias and Soffits
• Rainwater Goods
• Scaffolding
There may be potential to expand the role of the BCH Capital Team in the future.

Adapting Homes to Meet Tenants’ Needs

The demographic profile in Blackpool is changing, with people living longer and wishing to continue living independently in their own homes. A higher proportion of older people and people with long-term limiting illnesses live in Council housing than in other tenures in the town. We set aside a budget each year for adapting Council properties so that residents can continue to live independently. Typically the main adaptation types that are carried out/installed into properties include:

- Level Access Showers
- Ramps
- Clos-o-Mat toilets
- Stair lifts
- Step Lifts
- Hoists
- Door widening

Where possible this work is completed by in-house operatives but specialist adaptations are completed by contractors.

Since 2016, BCH has adopted a different approach to the provision of adaptations within Council properties. Prior to 2016, a request would have been received from a Community Occupational Therapist requesting works. This would have been added to a waiting list, and the works would have been completed once the resident reached the top of the list (unless they were classified as urgent).

In 2016 an Occupational Therapist joined the Adaptations Team within BCH, and along with other members of the team every case that was referred for an adaptation underwent a desktop triage. What this identified was that in some cases an adaptation was not the answer and also that residents required additional assistance. This process identified that a range of options other than adaptations were available. This included:

- Liaison with other health and housing professionals to assess needs
- Safe sign-posting to other organisation that can assist helping the resident.
- Consider other options to improve the home environment other than adaptation work
- Encourage residents to move to more suitable accommodation.

The above process has allowed the budget allocated to adaptation works to be utilised in a more efficient manner and has enabled more homes be adapted and waiting times for adaptations to be significantly reduced. We will continue to refine this approach.

A register of all adapted properties is now kept, allowing residents who need particular adaptations and who wish to move, to quickly identify suitable alternative properties as they become available.
Chapter 5 - Improving Our Homes for the Future

As well as ensuring that all of our homes meet minimum legal standards of safety and property condition, and that they are maintained for the long term, we want to further improve what our residents expect from Council homes and make them fit for the future.

Consideration will be given to three factors when making decisions on how to invest in the future of assets:

a) **Social**: This will ensure that we are fulfilling our responsibility to be an effective social landlord and making decisions that are based on the needs of the community and the provision of affordable housing services. We will do this by:

   - Creating places where people want to live
   - Putting residents first
   - Being a leading provider and offering quality services in Blackpool
   - Promoting a culture of financial inclusion
   - Involving and empowering residents in the decision making process

b) **Financial**: This will ensure that we are driving forward value for money and ensuring we have short, medium and long term financial plans that are both deliverable and sustainable. We will do this by:

   - Delivering Value for Money
   - Being creative with new procurement opportunities
   - Developing long term contracts with trusted contractors
   - Looking at whole life costs and best value
   - Optimising the income that can be generated by our assets

c) **Environmental**: This will ensure that we consider the impact on the environment of our assets and how affordable the likely energy consumption will be against rising fuel prices. We will do this by:

   - Reducing the carbon footprint of Council housing, and to be carbon neutral by 2030
   - Targeting energy efficiency programmes and explore external grant funding opportunities
   - Developing energy performance criteria for all our assets and providing average energy ratings
   - Improving the average energy rating of our stock on an annual basis

Creating Places Where People Want to Live
The Decent Homes programme focussed primarily on the interior of properties, but there is a need to invest in exterior facades, communal areas, and improved landscaping to make Council estates more desirable places to live and give residents pride in their environment.

Environmental works will also be carried out to help reduce the opportunity for Anti-Social Behaviour. This may involve increasing use of door entry systems, improving security measures, re-purposing drying areas, improved lighting, and removal of ‘shelter points’ where ASB could occur.

We will invest in greening Council estates and planting trees as part of the implementation of the Council’s Green and Blue Infrastructure Strategy, and will also seek grant funding streams to help deliver this work. £150k has been allocated as base expenditure on general environmental improvements each year, but further grant funding opportunities will be sought. For example, the Grange Park ERDF bid (Stage 2 bid to be submitted in February 2020) includes funding for a tree planting programme on the estate.

**Being Responsive to Residents’ Needs**

Resident involvement and empowerment forms a vital part of our decision making process, and therefore how assets are managed. Future investment in assets will increasingly reflect the views expressed by residents through a variety of channels such as TOWER, Green Wardens and Empty Homes Inspectors. New groups will be developed as required.

**Energy Efficiency Works and Carbon Management**

We will develop a Carbon Management Plan to:

- Increase the energy efficiency and sustainability of our homes
- Reduce the carbon footprint of BCH’s management operation
- Influence resident lifestyles and usage of our assets to reduce fuel bills and improve sustainability within communities.

High energy efficiency standards are relatively easy to incorporate into new build properties. We will set new standards for carbon minimisation in new Council homes above the prevailing Building Regulations (Part L) standards.

The major challenge arises with homes within the existing stock. Blackpool Council’s high percentage of post war properties can be difficult to retrofit energy initiatives into. We have already commenced the provision of energy efficiency improvements to the housing stock and this has included work programmes of:

- Loft insulation, and in some cases external wall insulation
- A-rated high efficiency condensing boilers
- A-rated double glazing
- Solar PV panels piloted to a small number of properties
As a result of this, and other investment works, the average Standard Assessment Procedure (SAP) energy rating for Blackpool Council homes is currently 70.5. We will scrutinise data from Energy Performance Certificates (EPC’s) to put together programmes of work for further improving efficiency in these properties.

But we will need to seek out and trial new technologies as soon as they become available to meet the carbon reduction target set by the Council – net zero by 2030. Some new energy efficiency measures such as external wall insulation, thermal internal boarding and heating upgrades have sometimes caused further problems (such as damp) where there has been insufficient attention to design and to how the building performs as a whole system. Therefore careful consideration needs to be given to the design of future energy efficiency works, taking into account technological advances that are being developed.

The key technological advances that we will consider further include:

- An alternative to gas boilers. (A directive is already in place that no new build property should have a gas boiler from 2025)
- Improved technology of solar PV, and incorporating this technology into building materials.
- Development of Passivhaus systems currently used elsewhere in Europe.
- Moving from double to triple glazing.
- Feasibility studies around air/ ground source heat pumps for both new builds and retrofit projects.
- Greater monitoring of energy usage within properties, incorporating technology currently being developed within the Internet of Things
- Lighting upgrades to LED lighting in communal areas
- Sensors to control lighting in communal areas.

The Carbon Management Plan will focus primarily on the fabric and energy systems in homes, but will also need to consider public buildings and offices and reduce carbon in BCH’s management operation.

We plan to take forward highly energy efficiency refurbishments as part of the Grange Park ERDF bid, and will take advantage of any further grant funding opportunities that become available. We also plan to increase expenditure on energy efficiency works to £500,000 a year from 2021/22.
Chapter 6 - Turning Around Unpopular Stock

There will always be some properties that are relatively unpopular. This can be because of the type of home, geographical location, design, present condition, construction of the property, or problems within the immediate locality. In turn these reasons impact on demand and management and maintenance costs.

Detailed below are the criteria that will be used to identify properties that are starting to become unpopular, and the approaches that will be considered to turn around stock or areas of this nature. The approach outlined applies to unpopular Council homes, but sometimes action is also needed to address problem land and garages.

Asset Reviews
Asset Reviews identify properties that are becoming more unpopular, to enable review and decisions on what action to take. BCH will further develop IT systems that give the ability to assess the housing stock and rank it into one of three categories, using a traffic light system as follows:

- Risk
- Appraisal
- Core

Previously single properties have gone through an appraisal without consideration of neighbouring properties or similar archetypes. The approach going forward will still adopt this philosophy but will also look at streets, wards, neighbourhoods and similar property archetypes when carrying out this analysis. The new stock database and its links to the repairs system will further improve our understanding.

Risk Stock are those properties, schemes or archetypes that suffer from low demand, ASB, high turnover, high repair cost and large investment requirements, thus having a negative cash flow. These properties will be subject to an Option Appraisal process, and the level of investment needed to bring them into the Core Stock is likely to be relatively high. In extreme cases, or where other management approaches have failed, there may be a need for major physical change.

Appraisal Stock are those properties that might suffer from some demand, turn over issues, as well as higher than average repair costs, but by focused investment these properties could be made to generate a positive cash flow projection, making them Core Stock.

An Option Appraisal process will be undertaken to determine the business case for each archetype, scheme or property and keep the level of investment within an affordable business plan. The findings of each option appraisal will be submitted to BCH SMT and progressed for discussion at the Asset Management meetings with the Council as deemed appropriate.

Core Stock are those properties that have high demand, low turnover, low repair cost and minimal investment requirements. Any property ranked as core can have funds invested on an on-going basis through planned and cyclical programmes.
The Asset Review will be mainly based on the various data that BCH holds, together with information from staff knowledge. These will be placed into a modelling tool that includes the following elements:

- A report from the stock database, including all stock condition information and anticipated 30 year investment requirements.
- A report detailing any additional investment requirements with regards to proposed energy efficiency works helping to deliver carbon reduction.
- Additional maintenance costs to cover cyclical decoration, gas servicing, asbestos management and any other management costs.
- A report detailing responsive maintenance costs for the previous three years
- A report detailing the void patterns and any spend for the previous three years
- A report giving the current and anticipated spend for the next 30 years
- Information would also need to be supplied to take into account social and environmental factors to run alongside the above data. This would ensure that areas of deprivation, ASB, high housing management costs and poor energy ratings are included into the overall scoring and assessment process.

Inputting this information into the model produces a balanced scorecard and a range of asset related performance indicators, which would be the starting point for identifying assets for potential refurbishment, re-modelling, redevelopment demolition or disposal.

Other detailed data analysis will be generated by property, street, location or archetype and this would be used in the model to highlight trends.

**Options Appraisal**

Once the Asset Review has taken place and identified those elements of the stock that require further consideration, the Option Appraisal process follows to determine the best solution for these properties. These will primarily discussed by BCH Senior Management Team, with the findings forwarded to the Asset Management Group for discussion and final decisions with the Council.

The main outputs of the Options Appraisal could be as follows:

- Retention and maintain as existing, based on the outcome of the Asset Review
- Retention, but with change of management and/or lettings regime
- Retention, but with an increased level of investment
- Refurbishment
- Remodelling
- Demolition and re-development
- Disposal

Standard appraisal templates will be developed to allow these solutions to be fully assessed and will include scoring for Social, Environmental and Financial criteria to form a recommendation.
It should be noted that given the relatively small Council housing stock, the option to dispose of a property would be a last resort. Blackpool has a large and poor quality private rented sector, and it is not the intention to add properties to this already volatile market. Where the opportunity arises and a decision is taken to dispose of a property, this should be offered to Blackpool Housing Company in the first instance, subject to meeting statutory requirements.

BCH will also use this option appraisal process to undertake a detailed review of the development potential across the stock portfolio and consider releasing under-used or difficult to maintain assets (including garages) that could facilitate new housing development.

BCH Senior Management Team will act as the main approval forum for the majority of asset management decisions and they will filter schemes prior to any subsequent reports to Board. However, the Asset Management Group will make the final decisions with the Council on major capital investment and the future of properties or schemes.
Chapter 7 - Building more Council housing

1. Introduction

Blackpool Council has been pro-active and ambitious in developing new Council housing over the last 8-10 years. The focus of this work has been on the re-development of problematic stock like the former high rise flats at Queens Park, and most recently Troutbeck Crescent. There is now little problematic stock left that is likely to require re-development or radical re-modelling.

The Government announced in November 2018 that the borrowing cap on HRA business plans would be lifted. We now have a major opportunity and we are well placed to take advantage given our proven expertise and experience over the last few years.

From the perspective of meeting local housing needs, there are clear reasons to bring forward as much new Council housing as possible, addressing the gaps in the existing social housing stock and wider local housing market. Investment in acquiring and improving existing housing stock from the private rented sector could also have a role to play in delivering positive change in inner Blackpool alongside the work of Blackpool Housing Company, enabling better management / maintenance, lower rents, and security of tenure.

2. How many new Council homes will we deliver?

With the overall level of HRA borrowing no longer restricted, the key constraints are:

a) Continuing financial viability of the HRA business plan – This is paramount. Any borrowing through the HRA still needs to be repaid and future rents at the level of the whole business plan need to cover loan repayments, management costs, and on-going capital investment in the existing stock. All developments need to be effectively appraised and shown to be viable on their own terms.

b) Land – Across Blackpool, there is very little developable land. The lack of land is a fundamental constraint on significant Council new housing development.

c) Availability of grant funding – Currently, there are few limits on the availability of grant funding through Homes England’s Affordable Homes Programme, as long as schemes meet value for money criteria. However, there may be more restrictions in the future if the Government requires Homes England to direct most of the funding to areas with high house prices, or again focuses on housing for sale. Homes England may be less willing to offer grants for the acquisition and refurbishment of existing homes than for new build.

d) Staff capacity – We are already well practised in bringing forward new Council housing development, and have successfully brought forward some complex re-developments. So we have great expertise that we can build on within Blackpool Housing Company, the Council, and BCH, but are at risk of relying on a few key individuals and will need to expand our capacity to deliver the increased programme. It is difficult to recruit staff with the right skills, but this shouldn’t be a major constraint as long as we’re prepared to invest in what we need.
e) Threat of new homes being bought with a discount under the Right to Buy – As Council tenants have a Right to Buy their homes at substantial discounts from market value there is an obvious risk of new homes being bought by tenants at values that are less than the costs of acquiring or building the homes, meaning a loss to the Council. There are limits to this that mean that for the first 15 years tenants cannot pay less for their homes than the Council’s build cost, but this still means that in the medium term homes could be sold off at a discount before the Council has received rent sufficient to cover the initial costs. 75% of the receipts from sales currently goes back to the Treasury; even if receipts are kept, they can’t be used to cover historic debt but have to be used to help build further new affordable homes. Current levels of RTB sales in Blackpool are low but new homes may be more attractive to buy, especially if they are let to economically active working tenants.

f) Lack of capacity in the local construction industry / rapidly rising construction costs – This may become an issue in the future affecting new build development, depending on the scale of new development and what is going on in the wider housing market and construction industry. This may be mitigated in future through the potential to use more off-site manufacturing (aka Modern Methods of Construction) and can be kept under review. There is also an opportunity presented by an ambitious future programme of being able to plan to train local people in construction skills and/or establish an in-house construction capability.

Given the constraints, especially land, it is planned that the Council will build 300 new homes in Blackpool over the next 5 years, including the current development of 75 new homes at Troutbeck Crescent. This relies on the identification of further sites in Council ownership and around existing Council housing estates.

There is potentially no limit to an acquisition and refurbishment programme providing that the costs of acquisition and refurbishment can be met from grant funding and borrowing repaid from rents. Future maintenance costs are likely to be higher than for new build and need to be factored in to development appraisals. We plan to acquire and refurbish 250 existing homes and bring them into the Council housing stock over the next 5 years in addition to the 300 new homes.

The development and acquisition of 550 homes over the next 5 years by the Council working with Blackpool Coastal Housing will be in addition to acquisitions and refurbishments by Blackpool Housing Company, so that at least 1,000 high quality homes will be brought into the ownership of the Council and its companies over the next 5 years.

Strategically, the acquisition of existing homes needs to be planned to meet wider objectives to improve rented housing in the town, and meet the needs outlined in Chapter 2.

3. What types of homes and locations will we focus on?

The balance of new homes will reflect the greatest current and projected future needs that cannot be met in existing stock or the private rented sector, but we will also promote balanced communities that are resilient and adaptable to changing demand over time. We know that the greatest increase in the local population is coming in the older age groups.
Considering the particular role of social housing in providing adapted homes for people with long term illness or disabilities or who are becoming frail with age that may not be provided in the wider market, there is a great opportunity to build new homes for supported living as part of new developments. Further work is required to understand the needs of particular groups, such as people with learning disabilities living in the community. Work is also underway to review the need for further extra care housing for frail older people.

There is potential for Councils to develop housing for sale and shared ownership alongside homes for rent to help establish more mixed communities. This would require a further skillset in market analysis, creating attractive and competitive products, and selling. There are additional risks associated with building homes for sale but these could be mitigated if there is a fall back plan to rent. We will start by focusing solely on homes for rent but will keep under review the potential for the Council to build homes for sale and shared ownership as part of mixed tenure developments.

The Council has taken an innovative and ambitious approach to set up a housing company to directly intervene in improving the private sector called Blackpool Housing Company, trading as My Blackpool Home. The acquisition and refurbishment of homes as Council housing will complement the work of Blackpool Housing Company (BHC). BHC’s core mission is developing homes from existing buildings in inner Blackpool to offer better quality to a wider market; HRA investment will focus on acquiring property types that are in high demand formerly sold under the Right to Buy, and acquiring houses in neighbourhoods where better conditions and management will contribute to wider regeneration plans. There may also be opportunities to acquire properties which are long term empty or where owners are elderly and need assistance to move to somewhere more suitable.

The particular homes that the Council will look to acquire are:

1. One bedroom flats where the Council is the freeholder. Most of these flats are now privately rented and can have a negative impact on wider Council estates. There is a strong demand from single people, and acquiring these flats will also reduce the need to manage leaseholders’ contributions to services and building repairs.

2. 2, 3, and 4 bedroom houses within Council estates. Family accommodation of all these sizes is in demand and short supply within the housing stock. Having more control of the properties also ensures consistently high standards of maintenance and allows more effective neighbourhood management.

3. 2, 3 and 4 bedroom houses in targeted neighbourhoods outside Council estates, complementing the work of BHC. Control of letting and management of more homes will help to stabilise difficult neighbourhoods, although attracting better tenants will require investment in wider regeneration activity.
Chapter 8. Delivering the Investment Plan

This plan will be delivered through close working between Council staff, Blackpool Coastal Housing, and the development team at Blackpool Housing Company.

Progress will be monitored by Council staff using the measures and action plan below, through regular HRA review and Asset Management meetings with the team at BCH. The delivery of the programme of new developments will have their own project management arrangements, with a Project Board of senior officers.

Council Members will be kept informed of progress through annual reports seeking approval to each year’s capital programme, and through reporting on major projects as part of the Council’s general performance management regime. Individual development schemes will come for approval to the Council’s Executive before each scheme proceeds. Members of BCH’s Board will also receive regular updates on progress in delivering services to existing Council homes managed by BCH and on new developments.

Performance Measures

This CHIP is supported by a set of key performance measures:

A. Financial measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Baseline 2019/20</th>
<th>Ongoing Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRA balances at 31st March</td>
<td>£5.7 million</td>
<td>Within a range between £1 million and £10 million</td>
</tr>
<tr>
<td>Total level of debt</td>
<td>£11 million</td>
<td>Not to exceed 50% of the stock valuation (currently £60 million on a £120 million valuation)</td>
</tr>
<tr>
<td>Interest Cover ratio (Turnover less operating costs divided by interest costs)</td>
<td>5 (National average of 1.93 in 2018/19)</td>
<td>No less than 2.5</td>
</tr>
<tr>
<td>BCH Management Fee</td>
<td>£2,090 / unit</td>
<td>No more than £2,090 / unit</td>
</tr>
<tr>
<td>Viable new developments</td>
<td>n/a</td>
<td>Development programme is to have a positive Net Present Value over 30 years</td>
</tr>
<tr>
<td>Income collection (rents and recharges)</td>
<td>Current Tenant Arrears – 1.8% Rent collection - 99.5%</td>
<td>Current Tenant Arrears – no more than 2% Rent collection - 99.5%</td>
</tr>
<tr>
<td>Total stock</td>
<td>4,689</td>
<td>5,239 by 2025</td>
</tr>
</tbody>
</table>
B. Asset management measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Baseline 2019/20</th>
<th>Target for 2024/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many properties fail the Decent Homes Standard</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Average energy efficiency rating for Council properties</td>
<td>SAP 70.5</td>
<td>SAP 75</td>
</tr>
<tr>
<td>Balance of expenditure between planned maintenance and responsive / void repairs</td>
<td>73% / 27%</td>
<td>70% / 30%</td>
</tr>
<tr>
<td>Average cost of a responsive repair</td>
<td>Top quartile of all social housing providers for lowest cost of a responsive repair</td>
<td>To remain in the top quartile of all social housing providers for lowest costs of a responsive repair</td>
</tr>
<tr>
<td>Average cost of bringing a void back to lettable standard</td>
<td>£3000</td>
<td>£2500</td>
</tr>
</tbody>
</table>

Action Plan

Timescales and responsibilities are assigned below. Progress will be monitored at HRA Review and Asset Management meetings attended by representatives from Blackpool Council and BCH.

Maintaining and investing in the existing housing stock

<table>
<thead>
<tr>
<th>Action</th>
<th>Milestones</th>
<th>Completion Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce the new Orchard asset management database</td>
<td>New database introduced</td>
<td>4/2020</td>
<td>BCH (Asset Management)</td>
</tr>
<tr>
<td></td>
<td>Review of processes for joining up planned maintenance programmes with responsive and void repairs</td>
<td>3/2021</td>
<td></td>
</tr>
<tr>
<td>Complete a minimum of 20% stock condition surveys each year</td>
<td>Surveys delivered</td>
<td>3/2021</td>
<td>BCH (Asset Management)</td>
</tr>
<tr>
<td>Implement new BCH Voids Policy</td>
<td>Policy signed off Procedures fully embedded</td>
<td>3/2020</td>
<td>BCH (Operations)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9/2020</td>
<td></td>
</tr>
<tr>
<td>Develop a Carbon Management Plan to help deliver the Council’s objective of being carbon neutral by 2030</td>
<td>Plan agreed</td>
<td>6/2020</td>
<td>BCH (Asset Management)/ Council (Housing)</td>
</tr>
<tr>
<td>Take advantage of grant funding opportunities for improving energy efficiency</td>
<td>ERDF Stage 2 bid submitted</td>
<td>2/2020</td>
<td>Council (Housing)</td>
</tr>
</tbody>
</table>
### Building More New Council Homes

<table>
<thead>
<tr>
<th>Action</th>
<th>Milestones</th>
<th>Completion Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review land in Council ownership and agree a new build delivery plan for the next 5 years</td>
<td>All land identified for 300 homes and delivery plan agreed</td>
<td>3/2020</td>
<td>Council (Housing)</td>
</tr>
<tr>
<td>Refine the development appraisal model</td>
<td>Model reviewed</td>
<td>3/2020</td>
<td>Blackpool Housing Company</td>
</tr>
<tr>
<td>Complete development at Troutbeck Crescent (75 homes)</td>
<td>First handovers</td>
<td>2/2021</td>
<td>Blackpool Housing Company</td>
</tr>
<tr>
<td></td>
<td>Completion</td>
<td>2/2022</td>
<td></td>
</tr>
<tr>
<td>Take forward development on land now cleared at Grange Park (up to 100 new Council homes)</td>
<td>Procure a development partner</td>
<td>1/2020 - 6/2020</td>
<td>Blackpool Housing Company</td>
</tr>
<tr>
<td></td>
<td>Planning approval</td>
<td>10/2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Start on site</td>
<td>1/2021</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Completion</td>
<td>3/2023</td>
<td></td>
</tr>
<tr>
<td>Take forward development on HRA-owned infill sites (up to 50 new Council homes)</td>
<td>Planning approvals</td>
<td>9/2020</td>
<td>Blackpool Housing Company</td>
</tr>
<tr>
<td></td>
<td>Starts on site</td>
<td>3/2021</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Completions</td>
<td>3/2023</td>
<td></td>
</tr>
</tbody>
</table>

### Acquiring existing properties

<table>
<thead>
<tr>
<th>Action</th>
<th>Milestones</th>
<th>Completion Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish new delivery procedures and capacity between the Council, BCH, and Blackpool Housing Company to enable efficient identification and appraisal of potential properties, and the delivery of refurbishment work</td>
<td>Procedures agreed - Property identification and negotiation, Legal and valuation, Building surveying, Design / QS, Financial appraisal, Capital funding, Tendering and management of building work Additional capacity in place</td>
<td>3/2020 6/2020</td>
<td>Council (Housing)</td>
</tr>
<tr>
<td>Start a programme of acquisitions of existing stock</td>
<td>Authority to proceed</td>
<td>1/2020 6/2020</td>
<td>Council (Housing) / BCH (Asset Management)</td>
</tr>
<tr>
<td></td>
<td>First new property let</td>
<td>6/2021</td>
<td></td>
</tr>
<tr>
<td></td>
<td>First 50 new properties let</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review procedures and the development appraisal model to reflect experience</td>
<td>Review</td>
<td>1/2021</td>
<td>Council (Housing) / BCH (Asset Management)</td>
</tr>
</tbody>
</table>
Appendix 1 – Profile of Council Homes

There are currently 4,689 Council homes managed by BCH. These are predominantly self-contained units and include 788 sheltered homes for older people.

The tables below provide an overview of our stock and its geographical location within the borough.

<table>
<thead>
<tr>
<th>Type</th>
<th>Bispham</th>
<th>Grange Park</th>
<th>Central</th>
<th>Mereside</th>
<th>South Shore</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedsit - GF</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>Bedsit - FF</td>
<td>0</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>Bungalow</td>
<td>0</td>
<td>22</td>
<td>1</td>
<td>22</td>
<td>37</td>
<td>82</td>
</tr>
<tr>
<td>Flat - GF</td>
<td>505</td>
<td>292</td>
<td>205</td>
<td>252</td>
<td>189</td>
<td>1443</td>
</tr>
<tr>
<td>Flat - FF</td>
<td>388</td>
<td>350</td>
<td>227</td>
<td>248</td>
<td>155</td>
<td>1368</td>
</tr>
<tr>
<td>High Rise</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HOUSE</td>
<td>208</td>
<td>543</td>
<td>269</td>
<td>314</td>
<td>406</td>
<td>1740</td>
</tr>
<tr>
<td>Maisonette</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1101</strong></td>
<td><strong>1216</strong></td>
<td><strong>706</strong></td>
<td><strong>836</strong></td>
<td><strong>830</strong></td>
<td><strong>4689</strong></td>
</tr>
</tbody>
</table>

Analysis of stock by Archetype

<table>
<thead>
<tr>
<th>Archetype</th>
<th>Total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01: Small pre-1945 houses</td>
<td>76</td>
</tr>
<tr>
<td>02: Pre-1945 semi-detached houses</td>
<td>195</td>
</tr>
<tr>
<td>03: All other pre-1945 houses</td>
<td>216</td>
</tr>
<tr>
<td>04: 1945-64 small terrace houses</td>
<td>157</td>
</tr>
<tr>
<td>05: 1945-64 large terrace/semi/detached houses</td>
<td>736</td>
</tr>
<tr>
<td>06: 1965-74 houses</td>
<td>93</td>
</tr>
<tr>
<td>07: Post-1974 houses</td>
<td>213</td>
</tr>
<tr>
<td>08: Non-traditional houses</td>
<td>49</td>
</tr>
<tr>
<td>09: Pre-1945 low rise flats</td>
<td>71</td>
</tr>
<tr>
<td>10: Post-1945 low rise flats</td>
<td>2212</td>
</tr>
<tr>
<td>11: Medium rise flats</td>
<td>589</td>
</tr>
<tr>
<td>12: High rise flats</td>
<td>0</td>
</tr>
<tr>
<td>13: Bungalows</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4689</strong></td>
</tr>
</tbody>
</table>

Analysis of Stock by Property Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Total (No's)</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedsit</td>
<td>56</td>
<td>1%</td>
</tr>
<tr>
<td>Bungalow</td>
<td>82</td>
<td>2%</td>
</tr>
<tr>
<td>Flat</td>
<td>2811</td>
<td>60%</td>
</tr>
<tr>
<td>High Rise</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>House</td>
<td>1740</td>
<td>37%</td>
</tr>
<tr>
<td>Maisonette</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4689</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The tables above show that over 50% of the stock was constructed post war (1945-64). This is comparable with many other Local Authorities. From 1965 onwards, numbers are quite low, with only 213 post 1974 houses in the stock.

We have 49 non-traditional properties within the stock. These are Dennis Wild properties, meaning they are constructed utilising steel frames, with a brick/block wall and in some cases an external render applied. Movement and steel frame corrosion has been identified in these properties and they are currently being monitored on a six monthly basis. An options appraisal will be undertaken to consider the best course of action going forward.

In addition to the 4,689 rented properties, the Council also continues to provide services and maintain the external fabric of 397 flats owned by leaseholders who have bought under the Right to Buy.
MADAME TUSSAUDS ATTRACTION BUSINESS DEVELOPMENT

1.0 Purpose of the report:

1.1 To agree to the further development of the Madame Tussauds attraction as set out in this report and to seek authority allowing progress of the scheme to completion.

1.2 To request authority to complete the project funding package through debt finance in the form of Prudential Borrowing as detailed in the financial appendices to this report.

2.0 Recommendation(s):

2.1 To agree to the further development of the Madame Tussauds by the creation of a Television Themed attraction in the identified underutilised space.

2.2 To complete the delivery of the scheme as set out in this report, to include the completion of all due diligence associated with the project.

2.3 To complete the project funding package through debt finance in the form of Prudential Borrowing, as detailed in Appendix 5a to this report.

2.4 To agree in principle to the creation of an addendum to the existing Madame Tussauds operating agreement and that the Head of Legal be granted delegated authority to authorise the addendum and any other legal agreements on behalf of the Council.

3.0 Reasons for recommendation(s):

3.1 To enhance the Existing Madame Tussauds attraction and therefore further improve the economically important tourism sector, significantly contributing toward attaining the Council’s vision of Blackpool being the UK’s number one family resort
with a thriving economy that supports a happy and healthy community who are proud of this unique town.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council?  
No

3.2b Is the recommendation in accordance with the Council’s approved budget?  
Yes

3.3 Other alternative options to be considered:

Do nothing. The area of the building proposed for redevelopment does not currently align fully with the vision of the Council for Blackpool, of being the UK’s number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town.

4.0 Council Priority:

4.1 The relevant Council Priority is: “The economy: Maximising growth and opportunity across Blackpool”.

5.0 Background Information

5.1 It has been identified that an area of underutilised space exists within the Council owned building occupied by the Madame Tussauds attraction.

5.2 An analysis of the optimal use of this space has revealed the opportunity for a Television Themed attraction linked directly to the existing Madame Tussauds experience.

5.3 Should authority to proceed be granted, the venture would be operated by Merlin Entertainments (Blackpool) Limited. The attraction will contain interactive elements including photograph opportunities and other activities along with merchandise, and follow the business model associated with the existing, highly successful, Madame Tussauds attraction.

5.4 An addendum to the existing Madame Tussauds operating agreement would be put in place and this governance arrangement offers the benefit of sharing economies of scale with the existing attraction whilst providing assurance with regard to the quality of the product.
5.5 It is planned the new experience will open for the 2020/21 summer season with development work to the unit and attraction contents to commence in January 2020 should authority to proceed be provided. The timing of the investment is critical in order to allow the new attraction to open and trade for May 2020.

5.6 The authority sought through this report will allow completion of the project as set out at 5.1 to 5.5 above, in addition to assembling the associated debt financing in the form of Prudential Borrowing.

5.7 Attached at Appendix 5a is the extensive budget estimate that enables the scheme to be financially viable. The costings would however undermine the Council’s position in continuing negotiations so at the time of publication this document is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

5.8 Does the information submitted include any exempt information? No

5.9 **List of Appendices:**

Appendix 5a Financial estimates – Commercially sensitive information.

6.0 **Legal considerations:**

6.1 The Council’s contracting and commissioning procedures will apply when entering into the addendum to the existing Madame Tussauds Operating Agreement and the contract will be developed in consultation with the Council’s Legal Services team.

7.0 **Human Resources considerations:**

7.1 None.

8.0 **Equalities considerations:**

8.1 None.

9.0 **Financial considerations:**

9.1 The total capital cost of this project is £700,000. It is planned for this scheme to be funded via Prudential Borrowing.

9.2 Table 1 below sets out the debt repayment estimates in summary form. Analysis of the forecast business plan confirms financing costs will be met through new, incremental business, generated as a direct result of the project.
Table 1 - Estimated Debt repayments Summary

£'000's

<table>
<thead>
<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6 - 10</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt finance costs</td>
<td>102</td>
<td>99</td>
<td>95</td>
<td>92</td>
<td>89</td>
<td>398</td>
<td>875</td>
</tr>
</tbody>
</table>

10.0 Risk management considerations:

10.1 A number of robust financial, performance and risk management controls and measures will be implemented as part of the delivery of this scheme. These will continue to be maintained throughout the development in order to help manage project risk considerations.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/External Consultation undertaken:

12.1 Consultation has taken place with internal departments on the requirements set out in this report.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 1/2018

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If yes, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
15.2 If yes, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 10 January 2020
Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1
22.0  Notes:

22.1
BEACH PATROL VEHICLE REPLACEMENT

1.0 Purpose of the report:

1.1 To consider the replacement purchase of the Beach Patrol Land Rover in order to support the delivery of Visitor Services.

2.0 Recommendation(s):

2.1 To approve the replacement purchase of a Land Rover 110 Defender for Tourism and Communications funded through Prudential Borrowing over a three year cycle on the costings outlined in paragraphs 9.1 to 9.4.

3.0 Reasons for recommendation(s):

3.1 To assist in ensuring the effective delivery of a Beach Patrol Service. The use of Prudential Borrowing has been identified as the most cost-effective method of purchase. The replacement of the vehicle at this point ensures emergency reliability and provides a warranty which gives assurance as regards reliability and maintenance costs.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

Outright purchase and lease options purchase have been considered however Prudential Borrowing is considered the most cost-effective method of purchase.
4.0 **Council Priority:**

4.1 The relevant Council Priority is: “The Economy – Maximising Growth and Opportunity Across Blackpool”.

5.0 **Background Information**

5.1 The Beach Patrol’s main purpose is to minimise or prevent incidents either occurring or escalating on the beach promenade or in the sea. This service is provided for both residents and visitors.

5.2 The existing Beach Patrol Land Rover is fast approaching its cost effective/reliable replacement date of 1st April 2020.

5.3 The continuity of this emergency vehicle is pivotal to safeguarding Blackpool’s coastline. During 2018 the Beach Patrol Service attended 308 serious incidents involving 4046 members of the public. The Beach Patrol service successfully reunited 104 lost children/vulnerable adults who had been found in distress on the beach and promenade, safely back with their carers.

5.4 Does the information submitted include any exempt information? No

5.5 **List of Appendices:**

None.

6.0 **Legal considerations:**

6.1 None.

7.0 **Human Resources considerations:**

7.1 None.

8.0 **Equalities considerations:**

8.1 None.

9.0 **Financial considerations:**

9.1 The recommendation is to replace the Beach Patrol Land Rover over a three year cycle through the Prudential Borrowing scheme. This will ensure emergency reliability, a three year warranty (meaning no expensive repairs) and reflects a strong corporate image.
9.2 The residual value of the current Beach Patrol Land Rover stands at approximately £24,000 if part exchanged with a new Land Rover (November 2019 valuation – Land Rover dealership as a cost appraisal part exchange).

9.3 The purchase of the new Land Rover 110 Defender at a cost of £25,275 will be spread over three years (net of part exchange), with annual repayments of £8,425 plus interest, which is accounted for within the revenue budget.

9.4 The Beach Patrol Land Rover is recognised as having an economical working life of three years, after which reliability and maintenance costs become prohibitive to providing a consistent and cost efficient service.

9.5 The vehicle purchase needs to be expedited, as production lead times for required specialist bespoke equipment preparation will take a minimum of three months.

10.0 Risk management considerations:

10.1 Failure to replace the Beach Patrol Vehicle could leave the Council vulnerable in relation to:

10.2 Potential legal implications in the event of loss of life in the area covered by Beach Patrol

Negative media coverage

Reputational damage to the resort

11.0 Ethical considerations:

11.1 None.

12.0 Internal/External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

14.1 Is this a key decision? No
14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If yes, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If yes, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:
20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1
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FINANCIAL PERFORMANCE MONITORING AS AT MONTH 7 2019/20

1.0 Purpose of the report:

1.1 The level of spending against the Council’s Revenue and Capital budgets for the first 7 months to 31 October 2019.

2.0 Recommendation(s):

2.1 To note the report.

2.2 To continue to lobby Government (HM Treasury, Ministry of Housing, Communities and Local Government and the Department for Education in particular) along with local authority peers, the Local Government Association and the Association of Directors of Children’s Services for significantly more funding to cope with the soaring demand and new burdens presenting in Children’s Services.

2.3 To require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children’s Services but also Strategic Leisure Assets, Parking Services and Concessionary Fares, and to ensure the release of at least £1m of budgets across all directorates as a consequence of a 1-year freeze on non-essential spend and the release of £1m of Earmarked Revenue Reserves to compensate for the deficit on Working Balances as at month 4.

3.0 Reasons for recommendation(s):

3.1 To ensure financial performance against the Council’s Revenue and Capital Budget is kept under review by members.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
3.2b Is the recommendation in accordance with the Council’s approved budget?  

Yes

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priority is: “The economy: Maximising growth and opportunity across Blackpool”.

5.0 Background Information

5.1 See reports and appendices circulated to members under separate cover.

5.2 Does the information submitted include any exempt information?  

No

5.3 List of Appendices:

Report

Appendix 1 - Revenue Summary
Appendix 2 - Schedule of Service forecast overspendings
Appendix 3a - Chief Executive
Appendix 3b - Governance and Partnership Services
Appendices 3b/c - Ward Budgets
Appendix 3d - Resources
Appendix 3e – Communications and Regeneration
Appendix 3f - Strategic Leisure Assets
Appendix 3g – Growth & Prosperity
Appendix 3h - Community and Environmental Services
Appendix 3i - Adult Services
Appendix 3j - Children’s Services
Appendix 3k - Public Health
Appendix 3l - Budgets Outside the Cash Limit
Appendix 4 - Capital Monitoring
Appendix 5 - Cash Flow Summary
Appendix 6 - General Fund Balance Sheet Summary

All circulated to members under separate cover

6.0 Legal considerations:

6.1 None.
7.0 Human Resources considerations:
7.1 See reports and appendices circulated to members under separate cover.

8.0 Equalities considerations:
8.1 An Equalities Impact Assessment was produced as a part of the budget setting process and remains relevant.

9.0 Financial considerations:
9.1 See reports and appendices circulated to members under separate cover.

10.0 Risk management considerations:

11.0 Ethical considerations:
11.1 None.

12.0 Internal/External Consultation undertaken:
12.1 None.

13.0 Background papers:
13.1 None.

14.0 Key decision information:
14.1 Is this a key decision? No
14.2 If so, Forward Plan reference number:
14.3 If a key decision, is the decision required in less than five days? N/A
14.4 If yes, please describe the reason for urgency:

15.0 Call-in information:
15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If yes, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: N/A Date approved: N/A

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members present:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1
1. Introduction

1.1 This report is the standard monthly financial performance monitoring report, which sets out the summary revenue budget position for the Council and its individual directorates for the first 7 months of 2019/20, i.e. the period to 31st October 2019, together with an outlook for the remainder of the year. The report is complemented with an assessment of performance to date of balances and reserves, income collection, the Council’s latest Capital Programme and statements relating to Cash Flow Summary and Balance Sheet Summary.

1.2 Due to the General Election held on 12th December 2019, the last financial performance monitoring report considered by the Executive related to month 4 i.e. the period to 31st July 2019. Since that report the overall position has improved by £422k and the major changes relate to the following:

- Children’s Services - the overspend has increased by £840k from £9,264k to £10,104k mainly due to ongoing pressures relating to Looked After Children (LAC). There has been an increase in LAC numbers and an adverse change in the mix of LAC placements combined with the cost of implementing the recommendations outlined in the Ofsted report published in December 2018.

- Strategic Leisure Assets - Strategic Leisure Assets is forecasting a further £1,135k pressure due to a reduction in the expected Winter Gardens income and a decision to accelerate repair work at the Tower. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast cumulative deficit as at 31st March 2020 is now £11,330k.
• Contingencies and Reserves - a net improvement of £341k. At month 4, one-off budgets had been released as a consequence of a 1-year freeze on non-essential spend amounting to £1m and this was reported under Contingencies. Since then, £340k of this has remained in Contingencies whilst £660k is now reflected in other services as follows –

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>£250k</td>
</tr>
<tr>
<td>Community and Environment</td>
<td>£260k</td>
</tr>
<tr>
<td>Chief Executive</td>
<td>£100k</td>
</tr>
<tr>
<td>Communications &amp; Regeneration</td>
<td>£  50k</td>
</tr>
</tbody>
</table>

(The £660k reflects the main movements in these services – see below)

In addition, there is a release of £1m of Earmarked Revenue Reserves to compensate for the deficit on Working Balances at month 4.

• Communications and Regeneration – a worsening by £123k in Visitor Economy mainly due to increased event costs that currently are not expected to be covered by increased income.

• Adult Services – an improvement of £355k mainly due to complex cases, residential placements and vacant posts.

• Other – an improvement of £689k including £660k transferred from Contingencies (see above).

2. Report Format

2.1 Separate reports have been prepared for each of the Council’s core areas of responsibility:

• Appendix 3a - Chief Executive
• Appendix 3b - Governance and Partnership Services
• Appendix 3b/c - Ward Budgets
• Appendix 3d - Resources
• Appendix 3e - Communications and Regeneration
• Appendix 3f - Strategic Leisure Assets
• Appendix 3g - Growth and Prosperity
• Appendix 3h - Community and Environmental Services
• Appendix 3i - Adult Services
• Appendix 3j - Children’s Services
• Appendix 3k - Public Health
• Appendix 3l - Budgets Outside the Cash Limit.

These incorporate summary financial statements which continue to be prepared on a full accruals basis and focus on the forecast revenue outturns for 2019/20. There is an accompanying narrative to explain any areas of significant variance from budget and to highlight any areas of potential pressure along with action plans agreed with service managers to address them.
2.2 The combined effect of the directorates’ financial performances is aggregated in a summary financial statement at Appendix 1 which mirrors the Council’s Revenue Budget Book with Growth and Prosperity now shown separately from Communications and Regeneration. This summary allows proactive month-on-month monitoring of the Council’s forecast working balances to be undertaken to ensure appropriate and prudent levels are maintained. Appendix 2 highlights on a 12-month rolling basis those services which trip the designated overspending reporting threshold.

3. Directorate’s Budget Performance

3.1 As a supportive measure to give services every chance to deliver a break-even budget, the Executive agreed at its meeting on 10th June 2019 to write-off all 2018/19 service variances but carry forward the 2018/19 underspend of £80k on Ward Budgets.

3.2 The impacts of directorates’ revenue budget performance and progress in achieving planned savings fall upon the Council’s working balances. The main areas accounting for the month 7 forecast overspend of £7,606k for 2019/20 are summarised below:

<table>
<thead>
<tr>
<th>Directorate</th>
<th>Service</th>
<th>Forecast Variance £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s Services</td>
<td>An overspend of £10,104k is forecast. Children’s Social Care is forecast to overspend by £10,059k, due to ongoing pressures relating to Looked After Children (LAC). When budgets were set, £3,570k was earmarked to cover the forecast overspend. Since that time, there has been an increase in LAC numbers and an adverse change in the mix of LAC placements, resulting in an additional pressure of £5,584k. In addition to this, an amount of £4,475k is included in the forecast relating to the Directorate’s Ofsted Improvement Plan, which is being implemented following the recommendations outlined in the Ofsted report published in December 2018. This figure includes the cost of a number of ongoing interventions which were put in place immediately following the review, but also reflects the outcome of a detailed evaluation of the service model, which has taken place in the early part of the current financial year and which has resulted in the introduction of a new staffing structure for the longer term. The new structure represents a fundamental shift in the management of Children’s Social Care in Blackpool – a shift from managing the problems to addressing the source of them. It proposes additional capacity to enable social workers to spend more time with children and families to build better relationships, have more effective interventions, building on the strengths within each family and thereby preventing escalation. Independent analysis suggests that the approach should result in a</td>
<td>10,104</td>
</tr>
</tbody>
</table>
long-term reduction in the number of cases open to Children’s Social Care at any one time and through the year. It will also reduce the number of children on child protection plans or in the care of the Local Authority. By October 2019 LAC numbers stand at **606**. There are overspends in Education of £431k, primarily relating to the Special Educational Needs (SEN) Transport Service which is partly due to demand pressures and partly due to the savings target of £320k that was applied in 2017/18 but not achieved. There are underspends totalling £386k in Early Help for Children and Families and Business Support and Resources.

<p>| Budgets Outside the Cash Limit | An overspend of £565k is forecast. Parking Services is £759k down mainly due to ‘on-street parking’ schemes not being feasible, loss of parking spaces, prudential borrowing costs, increased business rates and reduced income from staff parking. Concessionary Fares is forecast to overspend by £700k due to an under provision in 2018/19 (based on external forecasts). Treasury Management is forecasting an underspend of £860k, primarily due to the Council currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. The Business Loans Fund now has a savings target of £2,700k and there is some slippage in the loans being made to date. The cost to the Council of supporting the Subsidiary Companies is an underspend of £31k due to an expected reduction in charges mainly relating to debt management. |
| Governance and Partnership Services | An overspend of £77k is forecast. This is due to pressure on income relating to the cremators and Registrars Service, increased costs relating to repairs and security at the crematorium and increased Coroner’s costs within Life Events and Customer Care of £297k. Corporate Legal Services is expecting a £20k overspend due to Children’s Counsel fees. These are offset by a forecast underspend on Ward budgets of £200k and savings in Democratic Governance of £40k due to vacant posts and increased income. |
| Communications and Regeneration | An overspend of £60k is forecast. Visitor Economy is expecting a £299k overspend mainly due to increased event costs that currently are not expected to be covered by increased income. Economic Development is expecting an underspend of £139k which relates to a one-off release of reserves in Adult Learning and a vacant post. Planning is expecting an underspend of £100k due to increased income. |</p>
<table>
<thead>
<tr>
<th>Area</th>
<th>Details</th>
<th>Net nil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth &amp; Prosperity</td>
<td>There are a number of projects planned to be delivered in this area and based on most recent forecasts, the service is expecting to break-even. An increased target transferred to Growth &amp; Prosperity during the year from the Business Loans Fund to contribute to the Ofsted costs of £1,188k falling on Children’s Services is to be derived from increased income from investment properties.</td>
<td></td>
</tr>
<tr>
<td>Strategic Leisure Assets</td>
<td>Strategic Leisure Assets is forecasting a £2,759k pressure. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves. The forecast cumulative deficit as at 31st March 2020 is £11,330k. This incorporates the increased debt financing costs associated with essential Tower steel structure renewal and other unplanned maintenance, together with increased marketing and insurance costs and a revised income profile. The position has changed due to a reduction in the expected Winter Gardens income and a decision to accelerate repair work at the Tower.</td>
<td></td>
</tr>
<tr>
<td>Chief Executive</td>
<td>An underspend of £100k is forecast. A release of reserves has produced £70k saving and the remaining £30k is mainly due to staff savings.</td>
<td>(100)</td>
</tr>
<tr>
<td>Adult Services</td>
<td>An underspend of £118k is forecast. Adult Commissioning Placements are forecasting an overspend of £5k mainly due to complex cases and residential placements. Net underspends totalling £123k are due to vacant posts in the Directorate.</td>
<td>(118)</td>
</tr>
<tr>
<td>Community and Environmental Services</td>
<td>An underspend of £500k is forecast. In-year pressures are expected to be offset by a combination of improved income and staff vacancies.</td>
<td>(500)</td>
</tr>
<tr>
<td>Resources</td>
<td>An underspend of £549k is forecast. ICT is forecasting a £250k underspend due to the release of ICT investment funding which will be deferred to future years. Property Services is forecasting a £115k underspend mainly due to increased income from various Council properties. Savings in Benefits, Procurement and Projects, Risk Services and Accountancy totalling £184k relate to vacancies and additional income generation.</td>
<td>(549)</td>
</tr>
<tr>
<td>Contingencies and Reserves</td>
<td>A review of Contingencies and Reserves and a release in part to General Fund of £593k. This section also assumes the release of £340k of one-off budgets across directorates as a consequence of a 1-year freeze on non-essential spend. The remaining £660k (of the £1m) is reflected in other services. In addition, there is a release of £1m of Earmarked Revenue Reserves to compensate for the deficit on Working Balances at month 4.</td>
<td>(1,933)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>7,606</td>
</tr>
</tbody>
</table>
3.3 The graph below shows the stark impact on the level of Council working balances in-year together with the last 10 years’ year-end balances for comparison:

![Working Balances Graph]

3.4 Whilst the Council maintains working balances to address any in-year volatilities, it also maintains a number of Earmarked Revenue Reserves for such longer-term commitments as future Private Finance Initiative payments and uncertainties within the Localised Business Rate system. In order to present a complete picture of the Council’s financial standing an equivalent graph to that of working balances is shown below:

![Earmarked Revenue Reserves Graph]
4. **Children’s Services**

4.1 It is apparent that the demand pressures being met by Children’s Services are once again the primary challenge facing the Council in its attempt to balance its Budget in-year. All other services show an aggregated net underspend of **£2,498k**.

4.2 This is not a local problem as catalogued in this same report throughout 2018/19. Indeed as recently as 27th August 2019 an analysis by the Local Government Association (LGA) reported that English local authorities had overspent by some £770m on children’s social care during 2018/19 with a projection that this will double to £1.4bn next year.

4.3 The chair of the LGA Children and Young People Board was quoted that “*In order to keep children at most risk safe, councils up and down the country have been forced to find savings from non-statutory or discretionary budgets, which includes valuable early intervention and prevention support that can stop children and families reaching crisis point. This is not sustainable.*”

The Council fully supports the LGA’s take on the current position. Indeed, whilst spending on children’s social care nationally represents 18% of total local authority spend (excluding Education and Police), in Blackpool this proportion is much greater at 27%, implying by deduction that other services are receiving proportionately less funding as a result.

4.4 The forecast **£10.1m** overspend on Children’s Social Care represents a variance of +32% on its gross budget of £31.2m. This pressure will be difficult enough to manage in-year using working balances and reserves but if repeated (as the trajectory of demand indicates) then without significant Government investment, as recommended by the Housing, Communities and Local Government Select Committee in its report on the funding of local authorities’ children’s services in May 2019, the position will become impossible to reconcile against available resource.

5. **Directorate Budget Savings Performance**

5.1 As at 31st October 2019 40% of the 2019/20 savings target has been delivered. The full-year forecast, which takes into account anticipated pressures and savings, predicts that 16% of the saving will be achieved by the year-end (19% last month).

6. **Collection Rates**

6.1 Council Tax

At the end of month 7 the amount collected for Council Tax (excluding Police and Fire precepts) was £34.4m and the collection rate was **60.6%**. This compares to £33.2m and 60.7% at the same point in 2018/19. The amount collected has actually risen by £1.2m which is mainly due to increases in both the Council Tax rate and base.
In the light of the reductions in discount and the introduction of the Local Council Tax Reduction Scheme the target collection rate is still 97.5% over a 4-year collection period as approved on 31st January 2019 as part of the setting of the Council Tax Base for 2019/20.

6.2 Council Tax Reduction Scheme (CTRS)

The Council Tax Reduction Scheme was introduced on 1st April 2013. The Scheme ensures that support to pensioners continues at existing levels. Working-age claimants are means-tested to establish entitlement and a percentage reduction (currently 27.11%) is applied at the end of the assessment to establish the level of support provided. From 1st April 2017 the scheme was amended so that certain vulnerable groups would have the 27.11% reduced to 13.56%. The scheme was also amended from 1st April 2018 to provide additional support for low income groups of claimants (in receipt of Income Support, Income-Based Jobseekers Allowance or Income Related Employment Support Allowance) by amending the percentage reduction applied to their award from 27.11% to 13.56%. From 1st April 2019 the scheme was further amended. At its meeting on 10th December 2018 the Executive approved the provision of additional support by amending the percentage from 27.11% to 13.56% for further low income groups of claimants or partners (in receipt of Jobseeker’s Allowance Contribution Based, Main Phase Employment and Support Allowance and are in the Work Related Activity Group, Maximum Universal Credit and neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award such as an Occupational Pension or other unearned income and Universal Credit which includes either the limited capability for work and/or work-related activity). Other claimants will continue to have a 27.11% reduction applied to their award and all applicants who were protected and paid 13.56% under the previous scheme will continue to pay 13.56% when they move to Universal Credit. These have the effect of reducing the amount to be collected.

At the end of month 7 the amount collected (excluding Police and Fire precepts) in respect of the Council Tax Reduction Scheme and Council Tax for those who have to pay CTRS, either for the first time or in addition to a proportion of their Council Tax, was £1.62m and the collection rate was 45.5%. This compares to £1.53m and 44.0% at the same point in 2018/19.

The likely impact for 2019/20 is that the underlying rate of collection of Council Tax Reduction Scheme will be under greater pressure than 2018/19 due to accumulated arrears and limits on the amount that can be recovered from Attachment of Benefits.

6.3 Business Rates

Prior to 1st April 2013 Business Rate income was collected by billing authorities on behalf of central government and then redistributed among all local authorities and police authorities as part of Formula Grant. From 1st April 2013 to 31st March 2019 the income relating to Blackpool is shared between central government (50%), the Council (49%) and the Fire Authority (1%). Consequential adjustments were made to the Formula Grant equivalent.
On 13th December 2018 the Ministry of Housing, Communities and Local Government (MHCLG) approved the establishment of a Lancashire-wide 75% Business Rate Pilot Pool (including Blackpool) in 2019/20 to share risk and reward. As part of this, the 50% rate retention scheme increases to 75% and authorities in the pool will forego Revenue Support Grant. The value of the Revenue Support Grant was taken into account when revised business rate tariffs and top-ups for the pilot authorities were set. The Government also increased the Safety Net from 92.5% to 95% for the new pilot pools. Consequently, from 1st April 2019 the income relating to Blackpool is shared between central government (25%), the Council (73.5%) and the Fire Authority (1.5%).

At the end of month 7 the amount collected for Business Rates was £29.1m and the collection rate was 59.2%. This compares to £29.4m and 58.6% at the same point in 2018/19. Changes resulting from the introduction of new reliefs from 1st April 2019 are offset by S31 grants.

From April 2014 Business Ratepayers have been entitled to elect to pay by 12 monthly instalments instead of over 10 months. This has allowed businesses more time to pay. However, 629 business rate summonses were issued in the 7 months to the end of October 2019.

The Business Rate cumulative deficit as at 31st March 2019 was £2,310k. The Council's share of this is £1,132k (49%).

7. Capital Monitoring Performance

7.1 All active capital schemes have been included within Appendix 4. The purpose is to present the overall position of capital spend. The schemes are shown individually where total scheme budget is greater than £500k and grouped as “other schemes” otherwise. As in previous financial years the emphasis regarding capital monitoring will be on scheme variance rather than in-year progress since many schemes cross financial years such as the major housing developments. Therefore, some degree of flexibility for the management of slippage is necessary in order to balance the overall capital programme each year to the funding allocations available.

7.2 The report includes the capital programme as approved by the Executive in February 2019. The month 7 report has traditionally included this data for comparative purposes. Future reports may show some changes in the capital programme, representing schemes that were approved after submission of the 2019/20 capital programme.

7.3 As at month 7 an overspend of £1.215m on capital schemes is anticipated. Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, to develop options for the Foxhall Village scheme. The reported overspend of £1.215m reflects the current best estimate subject to ongoing negotiations with the administrators.
8. **Summary Cash Flow Statement**

8.1 As part of the reporting format for this financial year a summary cash flow statement is included at Appendix 5. This provides a comparison of the actual cash receipts and payments compared to forecast for 2019/20.

8.2 During the first 7 months of the year, the Council’s net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall these balances have decreased since 31st March 2019 due to the receipt of grant income from central government in advance of expenditure. The Council is predominantly using temporary borrowing to finance Prudentially-funded capital expenditure, though is switching to fixed Public Works Loan Board loans as and when opportune to do so. The take up of loans from the Business Loans Fund is expected to continue steadily during 2019/20.

9. **Summary Balance Sheet**

9.1 In order to provide a complete picture of the Council’s financial performance Appendix 6 provides a snapshot of the General Fund balance sheet as at the end of month 7. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council’s performance in the critical areas of debt recovery, treasury management and Public Sector Payment Policy.

9.2 Over the 7-month period there has been a decrease in cash and cash equivalents of £6.7m and an increase in short-term borrowing of £1.8m which mainly reflects the phasing of revenue grants and capital grants received in advance to fund the capital expenditure on Property, Plant and Equipment (£22.2m) and Long-term Assets (£15.5m).

10. **Conclusions and Recommendations**

10.1 Over the 9-year period 2011/12 – 2019/20 cumulative Revenue Budget savings amounting to £152m have been required to be made by Blackpool Council. This is greater than the Council’s annual Net Requirement Budget of £124m and even more starkly the compound effect over the same period amounts to £830m of resource that has been removed from the Blackpool economy. This reflects one of the highest cuts per head of population across local authorities in England and in an environment of growing demands upon services as befalling an authority with such recognised pockets of significant deprivation.

10.2 The Medium-Term Financial Sustainability Strategy 2016/17 – 2021/22 is still valid and has been used to successfully keep apace with and deliver budget savings plans year after year. However, in tandem the soaring demand for child protection services and the rising costs of providing care for looked after children are now creating a crippling burden that current levels of local taxation and Government funding cannot meet.
10.3 Over the last 9 years of Government funding cuts Blackpool Council has consistently:

- delivered its annual budget in line with statutory requirements
- maintained its working balances of circa £6m
- maintained its earmarked reserves at stable and appropriate levels, indeed increasing them in 2018/19 by £5m at the request of the external auditor to re-designate some provisions
- improved its income collection for the last 3 years in succession.

Most importantly and despite this backdrop it has consistently funded and delivered the ambitions of successive administrations.

However, as stated in the previous report to the Executive as at month 4, I still fear that the Council is now at a financial crossroads where the unavoidable costs of children’s social care (71% of whose cost drivers fall outside the control of councils per recent LGA research) can only be met from:

- drastic service cuts elsewhere;
- one-off use of finite working balances and reserves; and/or
- significant additional external funding.

The Spending Round 2019 announced by the Chancellor of the Exchequer on 4th September included an additional £1bn for adult and children’s social care in 2020/21. It is estimated that Blackpool’s share would be £4.4m. This represents approximately 30% of the underlying pressure in Blackpool’s Children’s Social Care, even assuming that Adult Services continues to break even and requires no call against this.

10.4 If the 2019/20 forecast position became the actual outturn, then in accordance with the Council’s Financial Procedure Rules within its Constitution the forecast revenue outturn 2019/20 within this report contravenes both of the two specific conditions that excess spending does not:

1. exceed 1% (= £4.5m) of the authority’s total gross revenue expenditure; or
2. have the effect of reducing the authority’s Working Balances below 50% of their normal target level (= £3.0m).

In the context of £41m of Earmarked Revenue Reserves and with 5 months of the financial year remaining officers are working continuously to improve the position such that a positive level of Working Balances can be reached. Revised service and financial plans are underway, including the review of technical accounting treatments, non-essential spend and earmarked reserves plus delays to filling non-front line vacancies.
10.5 The Executive is asked:

i) to note the report;

ii) to continue to lobby Government (HM Treasury, Ministry of Housing, Communities and Local Government and the Department for Education in particular) along with local authority peers, the Local Government Association and the Association of Directors of Children’s Services for significantly more funding to cope with the soaring demand and new burdens presenting in Children’s Services;

iii) to require the respective directors and Director of Resources to continue to closely monitor and manage service financial and operational performances, specifically Children’s Services but also Strategic Leisure Assets, Parking Services and Concessionary Fares, and to ensure the release of at least £1m of budgets across all directorates as a consequence of a 1-year freeze on non-essential spend and the release of £1m of Earmarked Revenue Reserves to compensate for the deficit on Working Balances as at month 4.

Steve Thompson
Director of Resources
7th January 2020
## Appendix 1

### Blackpool Council

#### Revenue summary - budget, actual and forecast:

**Blackpool Council**

**Revenue summary - budget, actual and forecast:**

<table>
<thead>
<tr>
<th>APP.</th>
<th>GENERAL FUND NET REQUIREMENTS</th>
<th>BUDGET</th>
<th>EXPENDITURE</th>
<th>VARIANCE</th>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ADJUSTED CASH LIMITED BUDGET</td>
<td>APR - OCT</td>
<td>PROJECTED SPEND</td>
<td>OUTTURN</td>
<td>F/CAST FULL YEAR VAR. (UNDER) / OVER</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>3(a)</td>
<td>CHIEF EXECUTIVE</td>
<td>615</td>
<td>2,036</td>
<td>(1,521)</td>
<td>515</td>
<td>(100)</td>
</tr>
<tr>
<td>3(b)</td>
<td>GOVERNANCE &amp; PARTNERSHIP SERVICES</td>
<td>3,378</td>
<td>2,398</td>
<td>1,257</td>
<td>3,655</td>
<td>277</td>
</tr>
<tr>
<td>3(b/c)</td>
<td>WARD BUDGETS</td>
<td>395</td>
<td>55</td>
<td>140</td>
<td>195</td>
<td>(200)</td>
</tr>
<tr>
<td>3(d)</td>
<td>RESOURCES</td>
<td>4,563</td>
<td>7,128</td>
<td>(3,114)</td>
<td>4,014</td>
<td>(549)</td>
</tr>
<tr>
<td>3(e)</td>
<td>COMMUNICATIONS AND REGENERATION</td>
<td>3,845</td>
<td>(3,038)</td>
<td>6,943</td>
<td>3,905</td>
<td>60</td>
</tr>
<tr>
<td>3(f)</td>
<td>STRATEGIC LEISURE ASSETS</td>
<td>523</td>
<td>1,512</td>
<td>1,770</td>
<td>3,282</td>
<td>2,759</td>
</tr>
<tr>
<td>3(g)</td>
<td>GROWTH &amp; PROSPERITY</td>
<td>(5,925)</td>
<td>(454)</td>
<td>(5,471)</td>
<td>(5,925)</td>
<td>-</td>
</tr>
<tr>
<td>3(h)</td>
<td>COMMUNITY &amp; ENVIRONMENTAL SERVICES</td>
<td>43,350</td>
<td>21,580</td>
<td>21,270</td>
<td>42,850</td>
<td>500</td>
</tr>
<tr>
<td>3(i)</td>
<td>ADULT SERVICES</td>
<td>54,559</td>
<td>26,687</td>
<td>27,754</td>
<td>54,441</td>
<td>(118)</td>
</tr>
<tr>
<td>3(j)</td>
<td>CHILDREN'S SERVICES</td>
<td>41,027</td>
<td>24,159</td>
<td>26,972</td>
<td>51,131</td>
<td>10,104</td>
</tr>
<tr>
<td>3(k)</td>
<td>PUBLIC HEALTH</td>
<td>117</td>
<td>1,166</td>
<td>(1,049)</td>
<td>117</td>
<td>-</td>
</tr>
<tr>
<td>3(l)</td>
<td>BUDGETS OUTSIDE THE CASH LIMIT</td>
<td>12,708</td>
<td>6,870</td>
<td>6,403</td>
<td>13,273</td>
<td>565</td>
</tr>
<tr>
<td></td>
<td>CAPITAL CHARGES</td>
<td>(29,962)</td>
<td>(17,478)</td>
<td>(12,484)</td>
<td>(29,962)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>NET COST OF SERVICES:</td>
<td>129,193</td>
<td>72,621</td>
<td>68,870</td>
<td>141,491</td>
<td>12,298</td>
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</table>

**CONTRIBUTIONS:**

- TO / (FROM) RESERVES
  - (3,587) | - | (8,096) | (8,096) | (4,509)
- 2018/19 SERVICE UNDERSPENDS
  - (80) | - | (80) | (80) | -
- REVENUE CONSEQUENCES OF CAPITAL OUTLAY
  - 200 | - | 200 | 200 | -
- CONTINGENCIES
  - (2,107) | - | (2,290) | (2,290) | (2,290)
- LEVIES
  - 454 | - | 454 | 454 | -

**CONTRIBUTIONS, etc.:**

- (5,120) | - | (9,812) | (9,812) | (4,692)

**TOTAL NET EXPENDITURE TO BE MET FROM PUBLIC FUNDS:**

- 124,073 | 72,621 | 59,058 | 131,679 | 7,606

**ADDED TO/TAKE FROM) BALANCES:**

- - | - | (7,606) | (7,606) | (7,606)

**NET REQUIREMENT AFTER WORKING BALANCES:**

- 124,073 | 72,621 | 51,452 | 124,073 | -

---

**GENERAL BALANCES AS AT 1st APRIL 2019 PER AUDITED STATEMENT OF ACCOUNTS 2018/19**

- 7,057

In-year (reduction in) / addition to General Fund Working Balances

- (7,606)

**ESTIMATED UNEARMARKED WORKING BALANCES AS AT 31ST MARCH 2020**

- (549)
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| No | Directorate | Service | Scrutiny Committee Report | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
|----|-------------|---------|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1  | CHILDREN’S SERVICES | CHILDREN’S SOCIAL CARE | | 4,102 | 4,891 | 5,093 | 5,175 | 5,175 | 7,789 | 8,889 | 9,307 | 9,546 | 10,059 | | |
| 2  | STRATEGIC LEISURE ASSETS | STRATEGIC LEISURE ASSETS | | 1,394 | 1,394 | 1,394 | 1,827 | 1,827 | 1,624 | 1,624 | 1,624 | 1,624 | 2,729 | | |
| 3  | CHILDREN’S SERVICES | EDUCATION | | 708 | 689 | 634 | 771 | 771 | 577 | 572 | 539 | 515 | 431 | | |
| 4  | COMMUNICATIONS & REGENERATION | VISITOR ECONOMY | | 140 | 170 | 111 | 91 | 91 | 190 | 176 | 207 | 256 | 299 | | |
| 5  | GOVERNANCE & PARTNERSHIP SERVICES | LIFE EVENTS & CUSTOMER CARE | | 155 | 155 | 175 | 308 | 308 | 272 | 272 | 252 | 320 | 297 | | |
| 6  | ADULT SERVICES | ADULT COMMISSIONING PLACEMENTS | | 181 | 201 | 225 | 294 | 294 | 267 | 375 | | | | | |
| 7  | COMMUNITY & ENVIRONMENTAL SERVICES | LEISURE AND CATERING | | 235 | 235 | 235 | 233 | 233 | 233 | | | | | | |
| 8  | RESOURCES | PROPERTY SERVICES | | 107 | 170 | 269 | 263 | 263 | | | | | | | |
| 9  | COMMUNICATIONS & REGENERATION | ECONOMIC DEVELOPMENT & CULTURAL SERVICES | | 81 | 81 | 81 | 81 | 81 | 81 | | | | | | |
| 10 | COMMUNITY & ENVIRONMENTAL SERVICES | INTEGRATED TRANSPORT | | | | | | | | | | | | 78 | 78 |

Sub Total | 7,103 | 7,942 | 8,221 | 9,033 | 9,033 | | | | | 10,452 | 11,978 | 12,455 | 12,261 | 13,845 |

Transfer to Earmarked Reserves (note 3) | 1,394 | 1,394 | 1,394 | 1,827 | 1,827 | | | | | 1,624 | 1,624 | 1,624 | 1,624 | 2,729 |

Other General Fund (under) / overspends | 1,872 | 2,719 | 3,073 | 8,229 | 8,229 | | | | | 1,872 | 2,326 | 3,413 | 3,302 | 3,480 |

Total | 3,837 | 3,825 | 3,754 | 1,023 | 1,023 | | | | | 6,956 | 8,028 | 7,418 | 7,335 | 7,606 |

Notes:

1. The Executive of 11th February 2004 approved a process whereby services which trip a ceiling for overspending against budget of £75,000 or 1.5% of net budget where the controllable budget exceeds £5m are required to be highlighted within this monthly budgetary control report. They are required to develop and submit a recovery plan over a period not exceeding 3 years which is to be approved by the respective Portfolio Holder. The services tripping this threshold are listed above together with their respective financial performance over a 12-month rolling basis for comparison of progress being made.

2. The Strategic Leisure Assets overspend reflects the in-year position.

3. In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.
Blackpool Council - Chief Executive

Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
<th>BUDGET</th>
<th>EXPENDITURE APR-OCT</th>
<th>PROJECTED SPEND</th>
<th>FORECAST OUTTURN</th>
<th>F/CAST FULL YEAR VAR. (UNDER) / OVER</th>
<th>2018/19 VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ADJUSTED CASH LIMITED BUDGET</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>CHIEF EXECUTIVE</td>
<td>724</td>
<td>374</td>
<td>320</td>
<td>694</td>
<td>(30)</td>
<td>-</td>
</tr>
<tr>
<td>HUMAN RESOURCES, ORGANISATION AND WORKFORCE DEVELOPMENT</td>
<td>(13)</td>
<td>(1,180)</td>
<td>1,147</td>
<td>(33)</td>
<td>(20)</td>
<td>-</td>
</tr>
<tr>
<td>CHIEF EXECUTIVE TOTAL</td>
<td>711</td>
<td>(806)</td>
<td>1,467</td>
<td>661</td>
<td>(50)</td>
<td>-</td>
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<tr>
<td>CORPORATE DELIVERY UNIT</td>
<td>151</td>
<td>(279)</td>
<td>430</td>
<td>151</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HOUSING</td>
<td>(247)</td>
<td>3,121</td>
<td>(3,418)</td>
<td>(297)</td>
<td>(50)</td>
<td>-</td>
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<tr>
<td>ASSISTANT CHIEF EXECUTIVE</td>
<td>(96)</td>
<td>2,842</td>
<td>(2,988)</td>
<td>(146)</td>
<td>(50)</td>
<td>-</td>
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<tr>
<td>TOTALS</td>
<td>615</td>
<td>2,036</td>
<td>(1,521)</td>
<td>515</td>
<td>(100)</td>
<td>-</td>
</tr>
</tbody>
</table>

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within the Chief Executive’s Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year.

Chief Executive

This service is currently forecasting a saving of £30k. This is due, in the main, to staffing savings with some savings in supplies and services.

Human Resources, Organisation and Workforce Development

This service is currently forecasting a saving of £20k. This is due to a release of reserves no longer required.

Corporate Delivery Unit

This service is forecasting a break-even position. There is currently a pressure within the service but this will be met by savings in other areas.
Housing

This service is currently forecasting £50k saving. This is due to a release of reserves no longer required.

Budget Holder – Mr N Jack, Chief Executive
Blackpool Council – Governance and Partnership Services

Revenue summary - budget, actual and forecast:

The Revenue summary (above) lists the outturn projection for each individual service within Governance and Partnership Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Democratic Governance Service

The Democratic Governance Service is currently forecasting an underspend of £40k due to vacant posts and increased income.

Corporate Legal Services

This service is now forecasting an overspend of £20k due to an increase in the expected spend in Children’s Counsel fees.

Information Governance

This service is currently forecasting a break-even position.
Life Events & Customer Care

This service is forecasting a pressure of £297k which is £23k better than month 6. Income for both the Registrars service and Cremations continues to be below target contributing £190k to this pressure. £45k is increased costs relating to repairs, security, risk assessments and vehicle repairs. The remaining £62k of the pressure is due to the forecast increase in Coroner’s costs. This pressure has decreased this month by £36k as the forecast is now based on last year.

Ward Budgets

Ward budgets are expected to underspend in 2019/20.

Budget Holder - Mr M Towers, Director of Governance and Partnership Services.
## Wards

<table>
<thead>
<tr>
<th>Ward</th>
<th>Councillors</th>
<th>Total No. of Requisitions Submitted</th>
<th>No. of Requisitions Approved</th>
<th>No. Awaiting Approval</th>
<th>Total 2019-20 Budget</th>
<th>Ward Totals</th>
<th>Unallocated Budget</th>
<th>Area Ward Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorsholme Ward</td>
<td>Cllr. Galley</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>£16,530.24</td>
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<td>BC1001</td>
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<td>Bispham Ward</td>
<td>Cllr. Clapham</td>
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<td>Bloomfield Ward</td>
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<td>6</td>
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<td>£11,340.60</td>
<td>£3,890.00</td>
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### Ward Totals

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<tr>
<th>Total 2019-20 Budget</th>
<th>Unallocated Budget</th>
<th>Area Ward Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>£394,166.44</td>
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<tr>
<td>£264,914.40</td>
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Blackpool Council - Resources

Revenue summary - budget, actual and forecast:

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<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
<th>BUDGET</th>
<th>EXPENDITURE 2018/19</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ADJUSTED CASH LIMITED BUDGET £000</td>
<td>EXPENDITURE APR - OCT £000</td>
<td>PROJECTED SPEND £000</td>
</tr>
<tr>
<td>RESOURCES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET EXPENDITURE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROCUREMENT &amp; PROJECTS</td>
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<td>534</td>
<td>(532)</td>
</tr>
<tr>
<td>BENEFITS</td>
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<td>(2,307)</td>
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<tr>
<td>REVENUES &amp; EXCHEQUER SERVICES</td>
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<td>735</td>
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<td>PROPERTY SERVICES (Incl. INVESTMENT PORTFOLIO)</td>
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<tr>
<td>TOTALS</td>
<td>4,563</td>
<td>7,128</td>
<td>(3,114)</td>
</tr>
</tbody>
</table>

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within Resources against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Procurement and Projects

The Procurement and Projects Service is forecasting an underspend of £43k. Staff savings within the Procurement and Energy Management team have contributed towards the underspend.

Benefits

The Benefits Service is forecasting an underspend of £91k against a gross budget of £4.3m. Vacancies across the Benefits service have contributed towards the underspend. Monthly Housing Benefit new claims processing figures for October was 13 days. The cumulative processing time to-date for new claims for Housing Benefit, new claims for Council Tax Reduction and changes in circumstances notifications was 13 days.

Revenues and Exchequer Services

Revenues and Exchequer Services are forecasting a break-even position. The legacy pressure in Payroll services has been reduced through additional income generation. Due to staff absence, additional overtime is resulting in pressures in the service. This is being offset by vacancy savings within Transactional services.
Customer First

Customer First is forecasting a break-even position on a gross budget of £1.1m.

ICT Services

ICT is forecasting an underspend of £250k on a gross budget of £4.9m. The service has released £250k of ICT investment funding which will be deferred to future years.

Accountancy

Accountancy are forecasting an underspend of £23k against a gross budget of £2.1m. This has been achieved through additional income generation.

Risk Services

Risk Services are forecasting a £27k underspend. A review of the service structure has been undertaken which has resulted in savings this financial year. Additional income has also been generated by the Health and Safety team.

Property Services (incl. Investment Portfolio)

Property Services are forecasting an underspend of £115k against a gross expenditure budget of £14.3m. There are various council moves taking place in 2019/20 that will have an impact on the property services budgets. The investment portfolio are working to maximise income generation by undertaking rent reviews and reviewing premises expenditure against investment portfolio properties. The service has benefited from one-off income received in 2019/20 that has contributed towards pressures across the service.

Summary of the revenue forecast

After 7 months of the financial year Resources are forecasting a £549k underspend. The Directorate continues to operate on the basis of not filling staff vacancies other than in exceptional circumstances.

Budget Holder - Mr S Thompson, Director of Resources
Blackpool Council – Communications & Regeneration

Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
<th>BUDGET</th>
<th>EXPENDITURE</th>
<th>VARIANCE</th>
<th>2018/19 (UNDER)OVER SPEND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ADJUSTED CASH LIMITED BUDGET</td>
<td>APR - OCT SPEND</td>
<td>PROJECTED SPEND</td>
<td>FORECAST OUTTURN</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>COMMUNICATIONS &amp; REGENERATION</td>
<td>3,845</td>
<td>(3,038)</td>
<td>6,943</td>
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<tr>
<td>NET EXPENDITURE</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECONOMIC DEVELOPMENT &amp; CULTURAL SERVICES</td>
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<td></td>
<td></td>
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<tr>
<td>SERVICES</td>
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<td>(5,987)</td>
<td>6,140</td>
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<td>PLANNING</td>
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<td>22</td>
<td>269</td>
<td>291</td>
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<td>VISITOR ECONOMY</td>
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<td>TOTALS</td>
<td>3,845</td>
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<td>6,943</td>
<td>3,905</td>
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Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the outturn projection for each individual service area within the Directorate against their respective, currently approved, revenue budget. The forecast outturn of £60k overspend is based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Economic Development and Cultural Services

This service is expecting an underspend of £139k, which mainly relates to a one-off release of reserves in Adult Learning. This has increased from month 6 due to a continuing vacant post.

Planning

This service is expecting an underspend of £100k; this is due to an expected increase in income.

Visitor Economy

This service is expecting a £299k overspend by the year-end. An overspend of £310k relates to increased event spend that is not expected to be fully covered by increased income and a reduced shelter income forecast. This has been partially offset by additional income that has been generated elsewhere. The increase in overspend in the month is again due to increased costs relating to Switch-on and a reduced forecast in shelter income. An underspend in Print Services of £11k has been forecast as additional income has been generated.

Budget Holder – Mr A Cavill, Director of Communications & Regeneration
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Blackpool Council – Strategic Leisure Assets

Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
<th>BUDGET</th>
<th>EXPENDITURE 2019/20</th>
<th>VARIANCE</th>
<th>2018/19 BUDGET VARIANCE</th>
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<tr>
<td></td>
<td>ADJUSTED CASH LIMITED BUDGET £000</td>
<td>EXPENDITURE APR - OCT £000</td>
<td>PROJECTED SPEND £000</td>
<td>FORECAST OUTTURN £000</td>
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<tr>
<td>STRATEGIC LEISURE ASSETS</td>
<td>523</td>
<td>1,512</td>
<td>1,770</td>
<td>3,282</td>
</tr>
<tr>
<td>NET EXPENDITURE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STRATEGIC LEISURE ASSETS</td>
<td>523</td>
<td>1,512</td>
<td>1,770</td>
<td>3,282</td>
</tr>
<tr>
<td>TOTALS</td>
<td>523</td>
<td>1,512</td>
<td>1,770</td>
<td>3,282</td>
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</table>

Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Key Issues

The Leisure Asset portfolio projected outturn for 2019/20 is now £2,759k, taking the forecast cumulative deficit as at 2019/20 year-end to £11,330k. This incorporates the increased debt financing costs associated with essential Tower steel structure renewal and other unplanned maintenance, together with increased marketing and insurance costs and revised income profile. The position has changed due to a reduction in the expected Winter Gardens income and a decision to accelerate repair work at the Tower.

The Leisure Asset portfolio is currently forecast to break-even, in-year, during 2021/22.

In accordance with the original decision for this programme by the Executive on 7th February 2011, the projected overspend on Strategic Leisure Assets will be carried forward and transferred to Earmarked Reserves.

Budget Holder – Mr A Cavill, Director of Communications & Regeneration
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Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for the Service against its respective, currently approved, revenue budget. The forecast outturn is based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the head of service.

Key Issues

There are a number of projects planned to be delivered in this area and based on most recent forecasts, the service is expecting to break-even. An increased target transferred to Growth & Prosperity during the year from the Business Loans Fund to contribute to the Ofsted costs of £1,188k falling on Children’s Services is to be derived from increased income from investment properties.

Budget Holder – Mr A Cavill, Director of Communications & Regeneration
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Blackpool Council – Community and Environmental Services

Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
<th>BUDGET</th>
<th>EXPENDITURE</th>
<th>VARIANCE</th>
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</thead>
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<tr>
<td></td>
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<td>EXPENDITURE APR - OCT £000</td>
<td>PROJECTED SPEND £000</td>
</tr>
<tr>
<td>COMMUNITY &amp; ENVIRONMENTAL SERVICES</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
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<tr>
<td>BUSINESS SERVICES</td>
<td>545</td>
<td>767</td>
<td>(484)</td>
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<tr>
<td>LEISURE AND CATERING</td>
<td>2,922</td>
<td>(195)</td>
<td>3,161</td>
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<tr>
<td>PUBLIC PROTECTION</td>
<td>509</td>
<td>(1,498)</td>
<td>1,959</td>
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<tr>
<td>HIGHWAYS AND TRAFFIC MANAGEMENT SERVICES</td>
<td>16,590</td>
<td>15,456</td>
<td>1,002</td>
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<tr>
<td>STREET CLEANSING AND WASTE</td>
<td>18,125</td>
<td>3,196</td>
<td>14,784</td>
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<td>COASTAL AND ENVIRONMENTAL PARTNERSHIPS</td>
<td>3,979</td>
<td>2,801</td>
<td>1,078</td>
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<td>INTEGRATED TRANSPORT</td>
<td>680</td>
<td>953</td>
<td>(230)</td>
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<td>TOTALS</td>
<td>43,350</td>
<td>21,580</td>
<td>21,270</td>
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Commentary on the key issues:

Directorate Summary - basis

The Revenue summary (above) lists the outturn projection for each individual service within Community and Environmental Services against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Business Services

This service is currently forecasting a £262k surplus. The 2019/20 target savings of £747k are also being met.

Leisure and Catering

This service is currently forecasting a pressure of £44k. Leisure Services has a £64k pressure, as Health and Fitness income is down against budget. The performance of Leisure Services has stabilised and we do not envisage any increase in the pressure. We are forecasting efficiency savings in both Parks and Catering, each of which will contribute £10k to the overall saving of the Directorate.

Public Protection

This service is currently forecasting a £48k surplus. Public Protection is forecasting a £38k surplus, due to staffing vacancies. This is slightly down on last month, due to a reduction in income from Café Licencing. The overall surplus, however, will be used to off-set pressures elsewhere in the Directorate. Security is expected to return a saving of £10k.
Highways and Traffic Management Services

This service is currently forecasting a surplus of £132k. Highways & Engineering is forecast to save £82k, due to staffing vacancies and increased scheme income, which will be used to off-set pressures elsewhere in the Directorate. Highways & Traffic is expected to deliver £50k of savings, which will contribute to the overall savings within the Directorate.

Street Cleansing and Waste

This service is fully expecting to deliver the £570k saving budgeted this year for refuse collection, with Enveco NW commencing operations on 1st July 2019. The service as a whole is currently forecasting a saving of £145k, with small savings within Waste of £15k and Street Cleansing saving £20k. There is a reduction in the contribution to Vehicles, Plant and Equipment, through Waste, which will deliver a saving of £110k in-year, but this budget will be required in 2020/21.

Coastal and Environmental Partnerships

This service is currently forecasting a break-even position.

Integrated Transport

This service is currently forecasting a pressure of £43k. There is a target saving of £90k for school crossing patrols, but this will not be met. There are, however, one-off small savings identified within other areas, but the pressure within Travel and Road Safety will still amount to £68k. Small efficiency savings targeted within the service, amounting to £25k within the year and the use of savings being achieved in other areas will address this issue in 2019/20.

Conclusion – Community and Environmental Services financial position

At the end of October 2019, the Community and Environmental Services Directorate is forecasting a £500k surplus. There are ongoing pressures within Leisure and Integrated Transport, which are being addressed through savings achieved elsewhere in the Directorate whilst the services produce plans to address the underlying problems. Other services within the Directorate, however, have been challenged to achieve savings of £260k to assist in delivering the Council’s overall savings target for 2019/20.

Budget Holder - Mr J Blackledge, Director of Community and Environmental Services
Blackpool Council - Adult Services

Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
<th>2019/20</th>
<th>VARIANCE</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>EXPENDITURE</td>
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<tr>
<td></td>
<td>APR - OCT</td>
<td>PROJECTED</td>
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<tr>
<td></td>
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<td>£000</td>
</tr>
<tr>
<td>ADULT SERVICES</td>
<td></td>
<td></td>
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<tr>
<td>NET EXPENDITURE</td>
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<td></td>
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<td>CARE &amp; SUPPORT</td>
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<td>COMMISSIONING &amp; CONTRACTS TEAM</td>
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<td>(41)</td>
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<td>ADULT COMMISSIONING PLACEMENTS</td>
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<td>19,901</td>
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<td>ADULT SAFEGUARDING</td>
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<td>TOTALS</td>
<td>54,559</td>
<td>26,687</td>
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</table>

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual service within the Adult Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each head of service.

Adult Commissioning Placements (Social Care Packages)

The Adult Commissioning Placements budget is forecasting a £5k overspend on £60m gross expenditure budget. There is expected to be an overspend on both complex cases and residential placements, partly offset by the demographics budget, one-off monies and increased non-residential income.

Adult Social Care

Adult Social Care is currently forecast to be £105k underspent due to vacant posts within the service.

Summary of the Adult Services financial position

As at the end of October 2019 the Adult Services Directorate is forecasting an overall underspend of £118k for the financial year to March 2020 on a gross budget of £82m.

Budget Holder – K Smith, Director of Adult Services
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Appendix 3 (j)

Blackpool Council – Children’s Services

Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>ADJUSTED CASH LIMITED BUDGET</td>
<td>EXPENDITURE APR - OCT</td>
<td>PROJECTED SPEND</td>
<td>FORECAST OUTFURN</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>CHILDREN’S SERVICES</td>
<td></td>
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<tr>
<td>LOCAL SCHOOLS BUDGET - ISB</td>
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<td>9,812</td>
<td>8,566</td>
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<td>LOCAL SCHOOLS BUDGET - NON DELEGATED</td>
<td>930</td>
<td>12</td>
<td>918</td>
<td>930</td>
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<tr>
<td>EDUCATION</td>
<td>17,822</td>
<td>9,610</td>
<td>9,049</td>
<td>18,659</td>
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<td>EARLY HELP FOR CHILDREN AND FAMILIES</td>
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<td>106</td>
<td>76</td>
<td>182</td>
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<tr>
<td>BUSINESS SUPPORT AND RESOURCES</td>
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<td>DEDICATED SCHOOL GRANT</td>
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<td>(27,677)</td>
<td>(18,127)</td>
<td>(45,804)</td>
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<td>-</td>
<td>(2,062)</td>
<td>(2,062)</td>
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<td>TOTAL DSG FUNDED SERVICES</td>
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<td>(2,413)</td>
<td>(1,000)</td>
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<td>CHILDREN’S SERVICES DEPRECIATION</td>
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<td>2,722</td>
<td>2</td>
<td>2,747</td>
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<td>EDUCATION</td>
<td>3,128</td>
<td>2,501</td>
<td>1,258</td>
<td>3,759</td>
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<tr>
<td>EARLY HELP FOR CHILDREN AND FAMILIES</td>
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<td>BUSINESS SUPPORT AND RESOURCES</td>
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<td>728</td>
<td>371</td>
<td>1,099</td>
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<tr>
<td>LOCAL SERVICES SUPPORT GRANT</td>
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<td>(10)</td>
<td>(8)</td>
<td>(18)</td>
</tr>
<tr>
<td>SCHOOL IMPROVEMENT GRANT</td>
<td>(158)</td>
<td>-</td>
<td>(158)</td>
<td>(158)</td>
</tr>
<tr>
<td>TOTAL COUNCIL FUNDED SERVICES</td>
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<td>27,572</td>
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<td>TOTALS</td>
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<td>24,159</td>
<td>26,972</td>
<td>51,131</td>
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</table>

Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual service within the Children’s Services Directorate against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with each Head of Service.

Children’s Social Care

The Children’s Social Care division is forecasting a significant overspend due to ongoing pressures relating to Looked After Children (LAC) numbers.

When budgets were set, £3.570m was earmarked to cover the forecast overspend in Children’s Social Care. Since that time, there has been an increase in LAC numbers and an adverse change in the mix of LAC placements, resulting in an additional pressure of £5.584m.
In addition to this, an amount of £4.475m is included in the forecast relating to the directorate’s Ofsted improvement plan, which is being implemented following the recommendations outlined in the Ofsted report published in December 2018. This figure includes the cost of a number of ongoing interventions which were put in place immediately following the review, but also reflects the outcome of a detailed evaluation of the service model, which has taken place in the early part of the current financial year, and which has resulted in the introduction of a new staffing structure for the longer term.

The new structure represents a fundamental shift in the management of Children’s Social Care in Blackpool – a shift from managing the problems, to addressing the source of them. It proposes additional capacity to enable Social Workers to spend more time with children and families to build better relationships, have more effective interventions, building on the strengths within each family, and thereby preventing escalation. Independent analysis suggests that the approach should result in a long-term reduction in the number of cases open to Children’s Social Care at any one time and through the year. It will also reduce the number of children on child protection plans, or in the care of the Local Authority.

Dedicated Schools Grant Funded Services

The Dedicated Schools Grant (DSG) is the funding stream that supports the Schools Budget, which includes amounts that are devolved through the Individual School Budget (ISB), together with centrally-retained pupil-related services as listed in the revenue summary. Any under or overspends against services funded by the DSG will be carried forward to 2020/21 and, in the case of overspends, become the first call on the grant in that year.

Education

The overspend in the Education division relates primarily to the Special Educational Needs (SEN) Transport Service and is partly due to demand pressures and partly due to the savings target of £320k that was applied in 2017/18 but not achieved.

Summary of the Children’s Services financial position

As at the end of October 2019 the Children’s Services Directorate is forecasting an overspend of £10.104m for the financial year to March 2020.

Budget Holder – Mrs D Booth, Director of Children’s Services
### Appendix 3 (j)

#### Total LAC numbers

<table>
<thead>
<tr>
<th>Date</th>
<th>Fostering</th>
<th>£ per placement</th>
<th>Residential</th>
<th>£ per placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-13</td>
<td>72</td>
<td>15%</td>
<td>41</td>
<td>8%</td>
</tr>
<tr>
<td>Sep-13</td>
<td>66</td>
<td>14%</td>
<td>35,607</td>
<td>33%</td>
</tr>
<tr>
<td>Dec-13</td>
<td>69</td>
<td>15%</td>
<td>34,058</td>
<td>27%</td>
</tr>
<tr>
<td>Mar-14</td>
<td>64</td>
<td>14%</td>
<td>37,650</td>
<td>27%</td>
</tr>
<tr>
<td>Jun-14</td>
<td>74</td>
<td>16%</td>
<td>35,928</td>
<td>25%</td>
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<tr>
<td>Sep-14</td>
<td>75</td>
<td>16%</td>
<td>37,655</td>
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<td>Dec-14</td>
<td>76</td>
<td>15%</td>
<td>38,700</td>
<td>18%</td>
</tr>
<tr>
<td>Mar-15</td>
<td>73</td>
<td>16%</td>
<td>40,155</td>
<td>23%</td>
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<tr>
<td>Jun-15</td>
<td>74</td>
<td>17%</td>
<td>40,625</td>
<td>25%</td>
</tr>
<tr>
<td>Sep-15</td>
<td>73</td>
<td>16%</td>
<td>40,040</td>
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<tr>
<td>Dec-15</td>
<td>70</td>
<td>16%</td>
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<tr>
<td>Mar-16</td>
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<tr>
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<td>77</td>
<td>16%</td>
<td>42,245</td>
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<td>Sep-16</td>
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<tr>
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<td>18%</td>
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<tr>
<td>Mar-17</td>
<td>103</td>
<td>19%</td>
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<td>44%</td>
</tr>
<tr>
<td>Jun-17</td>
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<tr>
<td>Jun-18</td>
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#### Supported Accommodation

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#### Internal Fostering

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<tr>
<td>Oct-19</td>
<td>128</td>
<td>21%</td>
<td>45,600</td>
</tr>
</tbody>
</table>

#### Note:

The variance between the current total number of Looked After Children (606) and the total internal fostering and external placement numbers (511) is children with care orders, adoption placements etc. They are still classed as LAC but do not incur any commissioned costs.
Blackpool Council – Public Health

Revenue summary - budget, actual and forecast:

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<tr>
<th></th>
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<td>UNDER</td>
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Commentary on the key issues:

Directorate Summary – basis

The Revenue summary (above) lists the latest outturn projection for each individual scheme against their respective, currently approved, revenue budget. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and efficiencies in the remainder of the financial year, all of which have been agreed with the service leads.

Public Health Grant

The Public Health Grant is a central government grant which is ring-fenced. The ring-fencing has been extended from March 2018 to March 2020.

The grant conditions require quarterly financial reporting of spend against a prescribed set of headings and spend of the grant must link explicitly to the Health and Wellbeing Strategy, Public Health Outcomes Framework and Joint Strategic Needs Assessment.

The Public Health Directorate are forecasting an overall spend of the full grant, £17,941,000, for the financial year to March 2020.
Payment by Results (PbR)/ Activity-based Commissioning

A number of Public Health schemes’ payments are linked to activity. The aim of Payment by Results (PbR) is to provide a transparent, rules-based system for payment. It rewards outputs, outcomes and supports patient choice and diversity. Payment will be linked to activity. This does, however, raise a number of challenges when determining accurate budgetary spend/forecast spend.

Community Safety

This service is expecting a break-even position at year-end. A decision has been made by the Corporate Leadership Team for this service to transfer to the Community and Environmental Services directorate with effect from 1st December 2019.

Summary of the Public Health Directorate financial position

As at the end of October 2019, the Public Health Directorate is forecasting a break-even position for the financial year to March 2020.

Budget Holder – Dr Arif Rajpura, Director of Public Health
# Appendix 3 (l)

## Blackpool Council – Budgets Outside the Cash Limit

### Revenue summary - budget, actual and forecast:

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE SERVICE</th>
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<th>2018/19</th>
<th>VARIANCE</th>
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<td>CONCESSIONARY FARES</td>
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<td>EMPLOYERS PREVIOUS YEARS’ PENSION LIABILITY</td>
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<td>NEW HOMES BONUS</td>
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### Commentary on the key issues:

#### Directorate Summary - basis

The Revenue summary (above) lists the latest outturn projection for each individual service categorised as falling ‘outside the cash limit’ and thereby exempt from the cash limited budget regime. Forecast outturns are based upon actual financial performance for the first 7 months of 2019/20 together with predictions of performance, anticipated pressures and savings in the remainder of the financial year, which have been agreed by each designated budget manager.

#### Treasury Management

Treasury Management is forecasting a favourable variance of £860k. The Council is currently using temporary and long-term borrowing to finance Prudentially-funded capital expenditure. While temporary investment rates and temporary borrowing rates are low, the Treasury team will continue to use a mix of both temporary and long-term borrowing to fund planned capital expenditure. The Business Loans Fund now has a savings target of £2,700k and there is some slippage in the loans being made to date.

#### Parking Services

This service is forecasting a pressure of £759k; this pressure is mainly due to ‘on-street parking’ schemes not being feasible, loss of parking spaces, prudential borrowing costs, increased business rates and reduced income from staff parking. As at Week 33 (w/e 17th November) parking income is at £3.82m with patronage at 922,244. Car park patronage is down by 18,735 and income is down by £74,336 on 2018/19. On-Street Pay and Display patronage is down by 7,791 and income is down by £1,691.
Council Tax and NNDR Cost of Collection

This service is forecasting a break-even position.

Subsidiary Companies

This service is now forecasting a favourable variance of £31k. This is due to an expected reduction in charges mainly relating to debt management.

Land Charges

This service is forecasting a slight underspend due to lower costs.

Concessionary Fares

Whilst the overall level of demand on the buses and trams has started to fall, an under provision in 2018/19 (based on external forecasts) has led to a pressure of £700k.

Summary of the revenue forecasts

After 7 months of the financial year, the Budgets Outside the Cash Limit services are forecasting a £565k overspend.
Appendix 3 (I)

Car Parking Trends

[Graphs showing Off-Street Income, Off-Street Patronage, On-Street Pay & Display Income, and On-Street Pay & Display Patronage with data from 18-19 and 19-20, as well as a Target Tracker for 19-20.]
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## 2019/20 Capital Monitoring
### Month 7

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<th>Director Responsible for Resources</th>
<th>Total Scheme Budget</th>
<th>Spend as at 31/3/19</th>
<th>Budget Brought Forward 2018/19</th>
<th>Capital Programme 2019/20</th>
<th>Total Available Budget 2019/20</th>
<th>Spend to Date April - Oct</th>
<th>Forecast to Year End</th>
<th>Notes</th>
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## 2019/20 Capital Monitoring
### Month 7

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<th>Spend to Date April - Oct</th>
<th>Forecast to Year End</th>
<th>Forecast Variance</th>
<th>Notes</th>
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## 2019/20 CAPITAL MONITORING
### MONTH 7

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### Notes

(1) Following the announcement that Marcus Worthington and Company Limited and its subsidiary company, Hollinwood Homes Limited, have gone into administration, the Council is working with the appointed administrators, PWC, to develop options for the Foxhall Village scheme. The reported overspend of £1.215m reflects the current best estimate subject to ongoing negotiations with the administrators.
Blackpool Council

Cash summary - budget, actual and forecast:

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<th>APR - OCT CASH FLOW ORIGINAL BUDGET (*)</th>
<th>APR - OCT CASH FLOW ACTUAL</th>
<th>NOV - MAR CASH FLOW FORECAST</th>
<th>(*) THE CASH FLOW BUDGET IS CONSISTENT WITH THE REVENUE BUDGET AND THE CAPITAL PROGRAMME IN TOTAL. THE BUDGETED CASH FLOW PHASING IS BASED ON DETAILED EXPECTATIONS AND PAST EXPERIENCE</th>
<th>APR - OCT CASH ACTUAL MORE / (LESS) vs ORIGINAL BUDGET</th>
<th>NOV - MAR CASH FORECAST MORE / (LESS) vs ORIGINAL BUDGET</th>
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<td>238</td>
<td>120</td>
<td>General Creditors</td>
<td>(82)</td>
<td>(9)</td>
<td>(91)</td>
</tr>
<tr>
<td>9</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>RSG &amp; BRR</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>115</td>
<td>67</td>
<td>55</td>
<td>41</td>
<td>Salaries &amp; wages</td>
<td>12</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>64</td>
<td>37</td>
<td>32</td>
<td>25</td>
<td>Housing Benefits</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>200</td>
<td>161</td>
<td>444</td>
<td>223</td>
<td>Money Market Transactions Paid Out</td>
<td>(283)</td>
<td>(184)</td>
<td>(467)</td>
</tr>
<tr>
<td>666</td>
<td>432</td>
<td>781</td>
<td>416</td>
<td></td>
<td>(349)</td>
<td>(182)</td>
<td>(531)</td>
</tr>
<tr>
<td>(189)</td>
<td>(140)</td>
<td>-</td>
<td>(169)</td>
<td>NET CASH FLOW IN/(OUT)</td>
<td>140</td>
<td>(120)</td>
<td>20</td>
</tr>
</tbody>
</table>

A = C less B  
B = D less (A-B)

Cash - short-term net investments/(borrowing) balances:

![Short-term net investments/(borrowing) balances](image)

- The black bars show the recent actual balances by month. The white bars show the most up-to-date forecasts by month.
Commentary on Cash Movements during the year:

The summary on the previous page provides a comparison of the actual cash receipts and payments compared to the forecasted cash receipts and payments.

During the first seven months of the year, the Council’s net cashflow has resulted in fluctuations in short-term net investment/borrowing balances. However, overall short-term net investment/borrowing balances have decreased since 31st March 2019 due to the receipt of grant income from central government in advance of expenditure. The Council is predominantly using temporary borrowing to finance Prudentially-funded capital expenditure, though is switching to fixed Public Works Loan Board loans as and when opportune to do so. The take-up of loans from the Business Loans Fund is expected to continue steadily during 2019/20.

The chart of actual and forecast month-end balances shows temporary investment and borrowing levels throughout the year. The forecast shows the level of borrowing that may be required to cover planned capital expenditure up to 31st March 2020.
TREASURY MANAGEMENT HALF-YEARLY PROGRESS REPORT TO THE 30 SEPTEMBER 2019

1.0 Purpose of the report:

1.1 The Treasury Management Half-Yearly Progress Report for the six months ended 30 September 2019 and its Annexes 1 to 7.

2.0 Recommendation:

2.1 To note the report concerning Treasury Management activities for the six months to 30 September 2019.

3.0 Reasons for recommendation:

3.1 The Council has already adopted CIPFA’s Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2017 Edition). A feature of the Code is that periodic reports on Treasury Management activities are submitted to the Executive and the attached report relates to Treasury Management activities for the six months to 30 September 2019.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

None.
4.0 Council Priority:

4.1 The relevant Council Priority is: “The economy: Maximising growth and opportunity across Blackpool”.

5.0 Background Information

5.1 The Council has adopted CIPFA’s Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2017 Edition). A feature of the Code is that periodic reports on treasury management activities are prepared. This report relates to treasury management activities for the six months to 30 September 2019 and its content is reflective of the scale of the Council’s current Capital Programme.

5.2 The Council manages its cashflow and long-term financing of capital investments in accordance with its annual Treasury Management Strategy. The 2019/20 Strategy was approved by the Council on 27 February 2019.

5.3 Does the information submitted include any exempt information? No

5.4 List of Appendices:
Appendix 8a: Treasury ma
Annex 1 – Bank of England Official Base Rate November 2007 to September 2019
Annex 2 – Borrowing Rates April 2008 to September 2019
Annex 3 – External Debt Fallout Chart as at 30 September 2019
Annex 4 – Summary Statistics for April to September 2019
Annex 5 – Interest Earned on Temporary Investments 2019/20
Annex 6 – Prudential Indicators 2019/20
Annex 7 – Authorised Limit and Operational Boundary, Prudentially funded schemes 2019/20

6.0 Legal considerations:

6.1 None.

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None.
9.0 Financial considerations:

9.1 Please see the Report at Appendix 8a and its Annexes 1 to 7.

10.0 Risk management considerations:

10.1 Interest rate movements and planned debt fallouts and amounts and the nature of borrowing to fund capital expenditure.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 With the Council’s Treasury Management Panel

13.0 Background papers:

13.1 None.

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

14.0 Key decision information:

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If yes, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If yes, please give reason:
TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):
   Date informed:                                      Date approved:

17.0 Declarations of interest (if applicable):
   17.1

18.0 Executive decision:
   18.1
   18.2 Date of Decision:

19.0 Reason(s) for decision:
   19.1 Date Decision published:

20.0 Executive Members in attendance:
   20.1

21.0 Call-in:
   21.1
22.0 Notes:

22.1
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1. INTRODUCTION

The Council has adopted CIPFA's Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2017 Edition). A feature of the Code is that periodic reports on treasury management activities are prepared. This report relates to treasury management activities for the six months to 30 September 2019 and its content is reflective of the scale of the Council's current Capital Programme.

2. BORROWING TRANSACTIONS

2.1 Overview

The Bank of England Official Bank Rate (ie. the ‘base rate’ short-term interest rate to which all interest rates are related) stood at 0.75% on 1 April 2019 (0.50% on 1 April 2018) and remains at 0.75% to date.

Annex 1 shows movements in the base rate from November 2007 to September 2019 in order to display the recent trend.

Annex 2 shows movements in the borrowing rates available since September 2007 for Public Works Loan Board (PWLB) long-term (20-25 year rates), PWLB one year and variable one month rates.

The uncertainty brought about following the UK vote to leave the European Union and economic fears over the impact of inflation on the UK economy has continued to depress the financial markets during the last 12 months. As a result, the cost of short-term borrowing continues at historically low levels. Due to the lack of clarity over Brexit, the market is extremely uncertain on the forecast of the base rate, predicting a decrease in the event of a “no deal” but maintaining and gradually increasing if a deal is agreed. However, it is still expected to remain below the level which existed prior to the 2008 financial crisis.
2.2 Loans Raised

The long-term borrowing requirements for the 2019/20 Capital Programme have been deferred until such time that interest rates are judged to be favourable to the Council. This action reduces the Council’s exposure to counterparty risk whilst enabling savings to be made in long-term borrowing costs. The Treasury Management Panel’s view is that there will be no need to take any new long-term borrowing to finance the Capital Programme in the next six months.

Temporary borrowing has been required to deal with the normal peaks and troughs of the cash flow, including creditor payments, grant receipts, etc. It has also been used to finance any shortfalls in cash flow caused by capital expenditure. The temporary financing of capital expenditure is prudent while short-term interest rates remain low and has the advantage of minimising temporary investments and the associated counterparty risk.

2.3 Loans Repaid

Loans repaid include the repayment of a £1,776k PWLB loan, which was repaid 1st April 2019, two repayments of an Equal Instalments of Principal (EIP) PWLB loan totalling £923k and the temporary borrowing referred to in 2.2 above. Two further longer term loan repayments are anticipated during the next 6 months including £1,171k PWLB loan and a £4,000k market loan repayment.

2.4 Summary

The Council’s borrowing activities for the first half-year of the financial year are summarised below:

<table>
<thead>
<tr>
<th>Source of funding:</th>
<th>Borrowings 1st April ’19 £000s</th>
<th>Loans raised £000s</th>
<th>Loans repaid £000s</th>
<th>Borrowings 30th Sep ’19 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWLB</td>
<td>61,301</td>
<td>-</td>
<td>(2,699)</td>
<td>58,603</td>
</tr>
<tr>
<td>Market Loans</td>
<td>35,000</td>
<td>-</td>
<td>-</td>
<td>35,000</td>
</tr>
<tr>
<td>Sub-total</td>
<td>96,301</td>
<td>-</td>
<td>(2,699)</td>
<td>93,603</td>
</tr>
<tr>
<td>Temporary Loans</td>
<td>153,000</td>
<td>239,620</td>
<td>(231,320)</td>
<td>161,300</td>
</tr>
<tr>
<td>Total borrowings (excluding PFI Schemes and finance leases)</td>
<td>249,302</td>
<td>239,620</td>
<td>(234,019)</td>
<td>254,903</td>
</tr>
</tbody>
</table>

Annex 3 to this report shows the maturity profile for the £93.6m of long-term external loans (ie. the PWLB and market debt only from the above table) outstanding at the end of...
September 2019. The maturity profile is in line with the Council’s approved strategy.

3. TRANSACTIONS FOR THE FIRST HALF OF 2019/20

3.1 Level of Investments

Annex 4 to this report sets out an analysis of the Council’s receipts and payments during the first half of the financial year. The Council’s temporary investments stood at £9.1m on 30 September 2019. This compares with temporary investments valued at £6.8m on 30 September 2018. Temporary surplus funds are invested in accordance with the Treasury Management Strategy’s requirements regarding security, liquidity and yield.

3.2 Investment Earnings

The Council takes advantage of peaks and troughs in receipts and payments by investing surplus funds over appropriate timescales within the context of the Council’s overall cash flows. The actual investment interest earned to 30 September 2019 was £33.2k. Annex 5 shows a monthly analysis of interest receipts compared to budget.

3.3 Approved Investment Institutions

In order to manage prudently any surplus funds as set out within the Treasury Management Strategy the Council restricts its temporary investments to an authorised list of institutions. According to the creditworthiness of each institution, an appropriate investment ceiling has been set with each as well as a maximum investment period. The credit ratings are monitored on a regular basis and checks are made via the internet and other media sources for signs of banks and building societies in difficulty. Council officers continue to use their contacts in the money market and speak regularly with other members of the Manchester Treasury Group to obtain market intelligence.

The Treasury Management Panel includes the Director of Resources, Chief Accountant, and representatives from Corporate Finance and Blackpool Coastal Housing who meet regularly throughout the year to review the list of approved investment institutions.

For banks the approved list is based on credit ratings issued by Fitch (single A categories or above, or the equivalent from other ratings agencies). The list also includes the more stable building societies, banded according to total asset size.
The proportion of temporary investments placed in the period 1 April 2019 to 30 September 2019 across the various categories of approved institutions is set out in the table below:

<table>
<thead>
<tr>
<th>Type of institution invested with:</th>
<th>Amount £000s</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK banks</td>
<td>116,820</td>
<td>74.7%</td>
</tr>
<tr>
<td>Other Local Authorities</td>
<td>5,000</td>
<td>3.2%</td>
</tr>
<tr>
<td>Debt Management Office - deposit facility</td>
<td>34,470</td>
<td>22.1%</td>
</tr>
<tr>
<td><strong>Total temporary investments placed</strong></td>
<td><strong>156,290</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

These values show the total of all new investments made during the six months. Due to the recycling nature of investing and lending, these values are not the absolute value of our portfolio of temporary investments as at 30 September 2019, which was £9.1m.

Annex 4 to this Report shows how the investing and maturing of temporary investments fits in with the rest of the Council’s bank transactions.

3.4 **Group Companies and Partners**

During the past six months we have continued to provide advice and assistance to some of our group companies and partners. The Council transfers funds to Blackpool Housing Company only when they are needed to cover property acquisition and development costs, £3m was paid over by the 30 September 2019. The Council also provided £2.78m in loans to Blackpool Transport Services for the purchase of replacement buses and a £500k loan to Blackpool Airport Operations.
4. TREASURY MANAGEMENT BUDGET MONITORING 2019/20

The month 6 financial performance monitoring report, shows a favourable forecast outturn for Treasury Management in 2019/20 of £(729)k. The main components of this favourable position are as follows:

<table>
<thead>
<tr>
<th></th>
<th>£’000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Business Loans Fund lending</td>
<td>723</td>
</tr>
<tr>
<td>Lower financing costs on long term debt</td>
<td>(1,406)</td>
</tr>
<tr>
<td>Temporary interest on short term investments</td>
<td>(46)</td>
</tr>
<tr>
<td><strong>Net (favourable)/adverse outturn forecast</strong></td>
<td><strong>(729)</strong></td>
</tr>
</tbody>
</table>

5. PRUDENTIAL CODE FOR CAPITAL FINANCE

5.1 Where capital expenditure has been incurred which is financed by debt assumed under the *Prudential Code For Capital Finance In Local Authorities*, budget has been vired from the service area incurring the spend. This budget is used to pay for the additional capital financing costs which are incurred within Treasury Management as a consequence of the capital spend. In the case of Leisure Assets an actual charge for financing costs has been made to the scheme. The cost to the Council of employing its capital in these schemes arises from both the interest cost of the investment and from the subsequent need to repay the principal.

Cost savings or revenue increases within the services as a result of the capital investment will have been previously identified within a business case in order to demonstrate that these schemes are self-funding or better.
5.2 Prudential Indicators

At its meeting of 4 February 2019 the Council adopted the framework set out within *CIPFA’s Prudential Code For Capital Finance In Local Authorities (2017 edition)*.

The Code requires that monitoring of our performance against the performance indicators (the Prudential Indicators) is reported to the appropriate decision-making body.

Annex 6 to this report shows the Prudential Indicators from 1st April 2019 to 30th September 2019, separately identifying the affordability indicators, the indicators of prudence and the treasury management indicators.

The format of these indicators is set out in the CIPFA Code of Practice.

Performance in the first half of 2019/20 is in line with expectations.

5.3 Capital Schemes Funded by Prudential Borrowing

Annex 7 to this report shows the headroom to the authorised (borrowing) limit and operational boundary, and identifies the expenditure on schemes which are prudentially funded by year.

6. RECOMMENDATION

The Executive is asked to note the report concerning treasury management activities for the first half of the 2019/20 financial year.

Steve Thompson
Director of Resources
20 January 2020
Borrowing rates available Apr 2008 - Sep 2019

- PWLB 1 Year Borrowing Rate
- PWLB Long Term (20-25 years) Borrowing Rate
- Short Term (1 mnth) Variable Borrowing Rate
External debt fallout chart as at 30th September 2019

- PWLB debt £'000s
- Market loans £'000s

Debt maturing by year, £'000s

Financial year:
- 2020
- 2022
- 2024
- 2026
- 2028
- 2030
- 2032
- 2034
- 2036
- 2038
- 2040
- 2042
- 2044
- 2046
- 2048
- 2050
- 2052
- 2054
- 2056
- 2058
- 2060
- 2062
- 2064
- 2066
- 2068
Summary Statistics for April to September 2019.

### OVERALL DEBT FINANCING POSITION

<table>
<thead>
<tr>
<th>B/Fwd</th>
<th>Change YTD</th>
<th>C/Fwd</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st April</td>
<td></td>
<td>30th Sept</td>
</tr>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7,800</td>
<td>1,300</td>
<td>9,100</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>1,300</td>
<td>9,100</td>
</tr>
<tr>
<td>153,000</td>
<td>8,300</td>
<td>161,300</td>
</tr>
<tr>
<td>96,302</td>
<td>(2,699)</td>
<td>93,603</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td>5,601</td>
<td>254,903</td>
</tr>
<tr>
<td><strong>Total Loans less total investments</strong></td>
<td>245,803</td>
<td></td>
</tr>
<tr>
<td><strong>241,502</strong></td>
<td><strong>245,803</strong></td>
<td></td>
</tr>
</tbody>
</table>

### TRANSACTIONS IN THE SIX MONTHS

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans borrowed</td>
<td>(*) 239,620</td>
</tr>
<tr>
<td>Investments matured</td>
<td>(*) 154,990</td>
</tr>
<tr>
<td>Housing Benefit</td>
<td>35,191</td>
</tr>
<tr>
<td>Council tax and NNDR</td>
<td>55,191</td>
</tr>
<tr>
<td>VAT</td>
<td>8,983</td>
</tr>
<tr>
<td>RSG/BRR incl DSG</td>
<td>39,141</td>
</tr>
<tr>
<td>Other Grants</td>
<td>39,295</td>
</tr>
<tr>
<td>Other Income</td>
<td>63,666</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>636,077</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PAYMENTS</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police &amp; Fire</td>
<td>5,519</td>
</tr>
<tr>
<td>General Creditors</td>
<td>165,133</td>
</tr>
<tr>
<td>Salaries &amp; wages</td>
<td>47,510</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>(*) 234,019</td>
</tr>
<tr>
<td>Investments made</td>
<td>(*) 156,290</td>
</tr>
<tr>
<td>Housing Benefits</td>
<td>27,046</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>635,517</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening bank balances</td>
</tr>
<tr>
<td>Receipts as analysed above</td>
</tr>
<tr>
<td>Payments as analysed above</td>
</tr>
<tr>
<td>Closing bank balances: 30.9.19</td>
</tr>
</tbody>
</table>

(*) These values show the totals of all movements on temporary investments and loans during the six months. Due to the recycling nature of investing and lending, these values are NOT the absolute value of our portfolio of temporary balances as at 30th September 2019.
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## Prudential Indicators for Capital Finance

### Prudential Indicator

#### 19/20 Full year planned PI

<table>
<thead>
<tr>
<th>Annex C refs.</th>
<th>Prudential Indicators: the actual position 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4</td>
<td>Actual Capital Expenditure, non-HRA; 19/20</td>
</tr>
<tr>
<td>2.4</td>
<td>Actual Capital Expenditure, HRA; 19/20</td>
</tr>
<tr>
<td>5.2</td>
<td>Actual Capital Financing Requirement as at 31/03/20</td>
</tr>
<tr>
<td>5.2</td>
<td>Actual External net borrowing as at 31/03/20</td>
</tr>
</tbody>
</table>

### Prudential Indicators for Affordability

<table>
<thead>
<tr>
<th>Prudential Indicator</th>
<th>19/20 Full year planned PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>The rate of financing costs to net revenue streams, non-HRA; 19/20</td>
</tr>
<tr>
<td>2.2</td>
<td>The rate of financing costs to net revenue streams, HRA; 19/20</td>
</tr>
</tbody>
</table>

### Prudential Indicators for Prudence

<table>
<thead>
<tr>
<th>Prudential Indicator</th>
<th>19/20 Full year planned PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7</td>
<td>Authorised Limit; 19/20</td>
</tr>
<tr>
<td>7.7</td>
<td>Operational Boundary; 19/20</td>
</tr>
</tbody>
</table>

### Prudential Indicators for Treasury Management

<table>
<thead>
<tr>
<th>Prudential Indicator</th>
<th>19/20 Full year planned PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3</td>
<td>Estimates of the Capital Financing Requirement, non-HRA; 31.3.20</td>
</tr>
<tr>
<td>3.3</td>
<td>Estimates of the Capital Financing Requirement, HRA; 31.3.20</td>
</tr>
</tbody>
</table>

### Prudential Indicators for Affordability

<table>
<thead>
<tr>
<th>Prudential Indicator</th>
<th>19/20 Full year planned PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>The rate of financing costs to net revenue streams, non-HRA; 19/20</td>
</tr>
<tr>
<td>2.2</td>
<td>The rate of financing costs to net revenue streams, HRA; 19/20</td>
</tr>
</tbody>
</table>

### Capital

- Estimates of the incremental impact of capital investment decisions on the Council Tax, non-HRA; 19/20
- Estimates of the incremental impact of capital investment decisions on housing rents, HRA; 19/20

### References

- Cross debt less than the Capital Financing Requirement:
  - Gross Debt: £456.6M, CFR: £510M
- Variable interest rate exposure. Upper limit: 19/20:
  - £364M
- Fixed interest rate exposure: 19/20:
  - £140M

### Prudential Indicators for Treasury Management

- Prudential limits for the maturity structure of fixed interest rate borrowing:
  - 12 months: Lower limit: NP<sub>%</sub>; Upper limit: 21%; Actual: 21%
  - 12 to within 24 months: Lower limit: NP<sub>%</sub>; Upper limit: 14%; Actual: 14%
  - 24 months to 5 yrs: Lower limit: NP<sub>%</sub>; Upper limit: 39%; Actual: 39%
  - 5 to within 10 years: Lower limit: 2.9%; Upper limit: 58%; Actual: 25.4%
  - 10 years and above: Lower limit: 15.9%; Upper limit: 90%; Actual: 26.6%

### Not permitted; see Treasury Management Investment Strategy

- Prudential limits for principal sums invested for periods longer than 364 days:
  - 1 year: Lower limit: NP<sub>%</sub>; Upper limit: 21.1%; Actual: 21.1%
  - 1 to within 5 yrs: Lower limit: NP<sub>%</sub>; Upper limit: 39%; Actual: 39%
  - 5 to within 10 years: Lower limit: 2.9%; Upper limit: 58%; Actual: 25.4%
  - 10 years and above: Lower limit: 15.9%; Upper limit: 90%; Actual: 26.6%

* The figure for Long Term Liabilities includes the SDA figures for PFI schemes.
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### Authorised Limit and Operational Boundary Control, Prudentially funded schemes, 2019/20

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
<th>£'000</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Debt @ 1st April 2019</strong></td>
<td>249,302</td>
<td>89,908</td>
<td>339,210</td>
</tr>
<tr>
<td>New Borrowing taken out YTD 19/20</td>
<td>239,620</td>
<td>-</td>
<td>239,620</td>
</tr>
<tr>
<td>less: Borrowing repaid YTD 19/20</td>
<td>(234,019)</td>
<td>(517)</td>
<td>(234,536)</td>
</tr>
<tr>
<td><strong>All debt outstanding as at 30th September 2019</strong></td>
<td>254,903</td>
<td>89,391</td>
<td>344,294</td>
</tr>
<tr>
<td>New borrowing expected before year end</td>
<td>244,557</td>
<td>-</td>
<td>244,557</td>
</tr>
<tr>
<td>less: Borrowing expected to be repaid before year end</td>
<td>(141,993)</td>
<td>(2,813)</td>
<td>(144,806)</td>
</tr>
<tr>
<td><strong>Therefore (debt) forecast @ 31st March 2020</strong></td>
<td>357,467</td>
<td>86,578</td>
<td>444,045</td>
</tr>
<tr>
<td><strong>Authorised limit, 19/20</strong></td>
<td>420,000</td>
<td>91,000</td>
<td>511,000</td>
</tr>
<tr>
<td><strong>Therefore, headroom to Authorised limit 19/20</strong></td>
<td>62,533</td>
<td>4,422</td>
<td>66,955</td>
</tr>
<tr>
<td><strong>Operational boundary, 19/20</strong></td>
<td>399,000</td>
<td>89,000</td>
<td>488,000</td>
</tr>
<tr>
<td><strong>Therefore, headroom to Operational boundary 19/20</strong></td>
<td>41,533</td>
<td>2,422</td>
<td>43,955</td>
</tr>
</tbody>
</table>

### Annual Capital Expenditure funded by prudential borrowing

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Value of Prudential Schemes £'000</th>
<th>Source of funding (Prudential borrowing or finance leasing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prudential Schemes 2004/05</td>
<td>5,933</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2005/06</td>
<td>6,272</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2006/07</td>
<td>717</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2007/08</td>
<td>1,334</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2008/09</td>
<td>703</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2009/10</td>
<td>16,726</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2010/11</td>
<td>3,080</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2011/12</td>
<td>39,723</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2012/13</td>
<td>11,884</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2013/14</td>
<td>41,323</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2014/15</td>
<td>6,112</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2015/16</td>
<td>1,867</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2016/17</td>
<td>15,153</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2017/18</td>
<td>6,300</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2018/19</td>
<td>5,531</td>
<td>Borrowing</td>
</tr>
<tr>
<td>Prudential Schemes 2019/20</td>
<td>27,005</td>
<td>Borrowing</td>
</tr>
<tr>
<td><strong>Cumulative prudentially funded expenditure</strong></td>
<td><strong>189,663</strong></td>
<td></td>
</tr>
</tbody>
</table>

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