



COUNCIL TAX REDUCTION SCHEME
2019-2020

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Introduction

1. Since April 2013, all council tax billing authorities in England are required to set up a scheme to help people in financial need pay their council tax. This document describes the scheme in Blackburn with Darwen, for the period 1st April 2019 until 31st March 2020.
2. The scheme is called a Council Tax Reduction Scheme because any support usually takes the form of a reduction in council tax liability, and therefore a reduction in the applicant's council tax bill. But it is also known as council tax support and that is the term generally used in this document.
3. Although this document provides a comprehensive account of the scheme in Blackburn with Darwen, further information on those aspects which have to be included in all schemes can be found in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (and subsequent amendments).

Overview of the scheme

4. There are different arrangements for pension-age and working-age applicants.

Pension-age applicants

5. The Government has decided that pensioners should have broadly the same level of support that they had in the old Council Tax Benefit scheme. This means that the Council has to follow the rules decided by central Government, and has no discretion to alter them.¹
6. Subject to some overall conditions, there are three groups of pensioners in financial need who the scheme is designed to help:
 - those whose income is no greater than the set amount allowed for living expenses; these pensioners qualify for 100% reduction on their council tax bill;
 - those whose income is greater to a certain extent than the set amount allowed for living expenses; these pensioners will have 20% of the difference between their income and the amount for living expenses deducted from the maximum amount of council tax support that would otherwise be payable;
 - those where there is a second adult sharing the household who would normally be expected to contribute towards the council tax bill, but who cannot afford to do so; these pensioners will see a reduction in the council tax bill of either 7.5%, 15%, 25% or 100%, depending on the circumstances of the second adult living in the household. (See Appendix 2.)

¹ Set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended from 2013 to 2017).

7. Where a pensioner is receiving the guarantee part of State Pension Credit his income and capital are ignored for the purposes of council tax support, so the pensioner receives 100% reduction on their council tax bill. Where a pensioner is receiving only the savings credit part of State Pension Credit, the amount of income and capital used in the Department for Work and Pensions assessment is used for the calculation of council tax support.

Working-age applicants

8. The Council has devised its own scheme for working-age applicants.
9. Subject to some overall conditions, there are two groups of working-age applicants in financial need who the scheme is designed to help:
 - those whose income is no greater than the set amount allowed for living expenses; these working-age applicants qualify for a 80% reduction on their council tax bill but, if they live in a property in band C or above, they qualify for a 80% reduction of the council tax bill set by the Council for a band B property;
 - those whose income is greater to a certain extent than the set amount allowed for living expenses; these working-age applicants will have 20% of the difference between their income and the amount for living expenses deducted from the maximum amount of council tax support that would otherwise be payable.
10. The overall conditions for an applicant to receive financial assistance from the scheme are that he:
 - lives in the property as his main home; and
 - is liable to pay council tax; and
 - meets the residence rules; and
 - has capital not exceeding £16,000; and
 - has income at or below a certain amount; and
 - has made an application for assistance from the scheme.

Living Allowances

11. In the calculation of council tax support, the amount allowed for living expenses is made up of the following components:
 - an amount for the applicant or, if he is a member of a couple, an amount for both of them;
 - if appropriate, an amount for children or young persons who are members of his family, together with an additional amount (family premium)²;
 - if appropriate, additional amounts, or premiums, as set out in Appendix 1, for example to cover expenses associated with disability.

² The family premium was withdrawn from 1st May 2016 in the Prescribed Requirements regulations, but the Council have nevertheless decided to include it both for pensioner and working age applicants.

12. There are special arrangements for polygamous marriages – see Annex 2.

Treatment of income

13. The income of an applicant's partner is treated as belonging to the applicant.

14. Income is calculated on a weekly basis. In order to arrive at the weekly amount of earnings and other income to be taken into account, a monthly payment is multiplied by 12 and divided by 52: in other cases the amount is converted to a daily amount and multiplied by 7. Where applicable, an assumed income from capital is added (see paragraph 35) and, where relevant and subject to certain conditions, childcare charges are deducted. The weekly maximum amounts to be deducted are £175 for one child and £300 for two or more children. (For applicants receiving Universal Credit, the maximum amounts to be deducted are 85% of these figures.)

15. Where incurred, childcare charges can be deducted from income where the applicant is:

- A lone parent who is working at least 16 hours a week;
- A member of a couple both of whom are working at least 16 hours a week;
- A member of a couple one of whom is working and the other is incapacitated, in hospital or in prison.

16. Annex 3 explains these childcare provisions in more detail and also contains a definition of the childcare charges which can be deducted.

Earnings from employment

17. Where an applicant has earnings from employment, the weekly amount of earnings is averaged over 5 weeks prior to the first week in which support is payable if the applicant is paid weekly, and 2 months if the applicant is paid monthly. However, where an applicant's earnings fluctuate, earnings can be averaged over any reasonable period. If an applicant has been working for less than 5 weeks or 2 months, the average weekly earnings are estimated on the basis of either any earnings received, if representative of future earnings, or an estimate provided by his employer. If earnings change during the period of an applicant receiving council tax support, average earnings are estimated over any reasonable period but not more than 52 weeks.

18. Earnings are taken into account from the date of application even if they were not received during the week of application. Where an applicant begins remunerative work after an application for council tax support has been made, earnings are taken into account from the first support week after he began work, even if they were not actually received in that week. Similar arrangements are made when earnings change.

19. See Annex 4 for the definition of earnings as an employed earner.

Self-employment

20. An applicant for council tax support is treated as self-employed if:

- self-employment is his main job; and
- he gets regular work from self-employment; and
- his work is organised, for example there are invoices and receipts, or accounts; and
- he expects to make a profit.

21. Where an applicant is self-employed, weekly earnings are estimated over a reasonable period but no more than over 52 weeks. See Annex 5 for a description of how self-employed earnings are calculated.

22. Working-age self-employed applicants are assumed to have a certain level of income (the Minimum Income Floor) after 2 years of self-employment. The level of income is calculated using the National Minimum Wage for the applicant's age group, multiplied by the number of hours he is expected to look for and be available for work. For most people that is 35 hours a week, but is 24 hours a week if the applicant meets certain requirements (for example is a carer receiving Carer's Allowance, a lone foster parent with a foster child in placement under the age of 5, a lone parent with a child under the age of 5, or a lone parent who has caring responsibilities for a child who has a physical or mental impairment of any age for whom they receive Child Benefit). From the resulting figure, a notional deduction for tax and National Insurance is deducted.

23. If the applicant ceases self-employment during the 2 year period but becomes self-employed again within 6 months, the periods of self-employment are treated as continuous for the purpose of calculating the 2 year period. Where this occurs the Council will review the application to ensure that this change in employment status has not been made to take advantage of the council tax support scheme.

Other income

24. Income other than earnings is fully taken into account unless specified in Appendix 4 which lists income that is ignored. Weekly income other than earnings is also estimated over a reasonable period but no more than over 52 weeks. See Annex 6 for a description of how income other than earnings is calculated.

25. Benefit income is taken into account over the period in which it is paid. The period over which a tax credit payment is taken into account varies depending on whether the payment is a daily, weekly, two-weekly or four-weekly instalment.

26. In most cases, income that the applicant has not obtained (for example, a deferred pension) but is available on application is treated as possessed by him, but only from the date it could be obtained.³
27. If it appears to the Council that an applicant has come to an arrangement with a non-dependant member of the household specifically to take advantage of the council tax support scheme, where the income and capital of the non-dependant exceeds that of the applicant, the income and capital of the non-dependant is treated as if it were the applicant's, and the applicant's income is ignored. This rule does not apply in the case of an applicant in receipt of Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance.

Treatment of capital

28. If an applicant has more than £16,000 no support is payable under this scheme.
29. All capital is taken into account, including income treated as capital, unless it is listed in Appendix 5 in which case it is ignored. The capital of a child or young person who is a member of the applicant's family is also ignored. The capital of an applicant's partner is treated as if it belonged to the applicant.
30. Certain types of income are treated as capital. See Annex 7 for a full list.

Notional capital

31. If an applicant deliberately disposes of capital in order to obtain council tax support, it is assumed that the applicant still possesses that capital and it is therefore taken into account. This notional capital is reduced over time by the amount that the applicant would have received in council tax support if he had not been treated as having that capital. With certain exceptions, where an applicant fails to realise capital which he owns, that capital is also taken into account. Most payments of capital made to a third party on behalf of the applicant are taken into account.

Calculation of capital

32. Capital which an applicant possesses in the United Kingdom is calculated at its current market or surrender value less:
- 10% if there are expenses attributable to its sale, and
 - the amount of any monetary claim secured against it.
33. Capital which an applicant possesses outside the United Kingdom is treated in the same way except that it is calculated:

³ See paragraph 22 of Schedule 1 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

- at its current market or surrender value in that country if it can be transferred to the United Kingdom; or
- if it cannot be transferred to the United Kingdom, at a price which it would realise if it were sold in the United Kingdom to a willing buyer.

34. Where an applicant owns capital jointly with one or more persons, each share is treated as equal unless there is evidence to the contrary.
35. Where an applicant has capital exceeding £6,000 (£10,000 for pensioners), income of £1 is assumed for every complete £250 (£500 for pensioners) up to a maximum of £16,000. In making this calculation, if the final part of the excess is not a complete £250 (£500 for pensioners), an income of £1 is nevertheless taken into account.

Calculation of council tax support

Maximum council tax support

36. Council tax is calculated on a daily basis. For any day for which an applicant is liable to pay council tax, the maximum amount of council tax support for pensioners is 100% of the amount of council tax set by the council for the applicant's dwelling, less any appropriate discount, divided by the number of days in that financial year. For working-age applicants, the maximum amount of council tax support is 80% of the amount of council tax set by the council for the applicant's dwelling, but if they live in a property in band C or above the maximum is 80% of the amount of council tax set by the Council for a band B property.

Where income is more than the amount for living expenses

37. Where an applicant's income is greater than the amount allowed for living expenses in his case, council tax support is withdrawn gradually (sometimes known as the taper) as income increases until entitlement is extinguished altogether. This avoids a cliff-edge effect of suddenly ending all support as soon as income becomes greater than the amount for living expenses.
38. For example, if an applicant's weekly maximum council tax support is £15, and the amount for living expenses in his case is £100 a week, he is entitled to maximum support of £15 as long as his income is not greater than £100. If his income increases to £120, a sum equal to 20% of the difference between his income (£120) and the amount for living expenses (£100) is deducted (20% of £20 = £4) from his maximum council tax support, so he receives £15 less £4 = £11 a week. If his income increases further to £180, the amount deducted from his maximum council tax support is £16 (20% of £80 is £16) and there is therefore no entitlement to council tax support because £16 is greater than the maximum of £15.

Other aspects of the calculation

39. In calculating the amount of council tax support, fractions of less than half a penny are rounded down and fractions of half a penny or more are rounded up.
40. Where an applicant is jointly liable for council tax with other residents at the same dwelling, the council tax set by the authority (less any discount) is divided by the number of people jointly liable and the applicant's council tax support is based on his share. This does not apply in the case of a student who is excluded from entitlement to council tax support, or a partner of the applicant.

Non-dependant deductions

41. A non-dependant is a person living as a member of the applicant's household who is not his partner or a child/young person for whom he is responsible. There are certain exceptions such as joint-occupiers, boarders and paid carers. Non-dependants aged 18 or over are usually expected to contribute to household expenses such as council tax.

(Pension Age scheme - points 42-47)

42. For pensioners, the weekly deduction for a non-dependant aged 18 or over in work is normally £12.20 and for a non-dependant aged 18 or over not in work, £4.00. However, where the applicant can demonstrate that a non-dependant in work has relatively low gross weekly earnings, the deduction is as follows:
- less than £207.70, the deduction is £4.00;
 - not less than £207.70, but less than £360.10, the deduction is £8.10;
 - not less than £360.10, but less than £447.40, the deduction is £10.20.
 - £447.40 or above, the deduction is £12.20
43. In the case of non-dependant couples only one deduction is made, but all their gross income is taken into account.
44. Where there is joint liability for council tax in a household, any non-dependant deduction is divided equally between the liable persons.
45. No non-dependant deductions are applied if the applicant or his partner:
- is blind;
 - is receiving Attendance Allowance, the care component of Disability Living Allowance, the daily living component of Personal Independence Payment, or an Armed Forces Independence Payment, including where these benefits and payments are temporarily suspended, for example through hospitalisation.
46. No non-dependant deductions are applied where the non-dependant:
- normally lives elsewhere;

- is receiving a training allowance paid as part of a youth training scheme;
- is a full-time student;
- has been a hospital in-patient for more than 52 weeks;
- is not living with the applicant because he is a member of the armed forces away on operations;
- is receiving a payment for a disability caused by the Thalidomide drug;
- is receiving Income Support, State Pension Credit, income-based Jobseeker's Allowance or income-related Employment and Support Allowance;
- is entitled to an award of Universal Credit where the award is calculated on the basis that the non-dependant does not have any earned income;
- is a person disregarded for the purposes of council tax discount.

47. In calculating a non-dependant's income the following are ignored:

- Attendance Allowance, Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment;
- payments made under certain specified trust funds including analogous payments.

(Working Age Scheme – points 48-49)

48. For working-age applicants, there is one deduction for all non-dependants of £5 a week. The exemptions listed in paragraphs 45 and 46 above do not apply.

49. In the case of non-dependant couples only one deduction is made, but all their gross income is taken into account.

Temporary Absences

50. An applicant can be regarded as living in his home and therefore eligible for council tax support even if he is temporarily absent for certain periods. Council tax support is payable during periods of temporary absence if the applicant:

- is liable for council tax and the address he is temporarily absent from is his sole or main residence;
- intends to return to live in his home;
- is not letting or sub-letting that part of the home that he normally occupies;
- is unlikely to be away for more than the time allowed (see below).

51. In calculating the period of absence, the first day of absence is included and the day of return is excluded.

52. For absences in Great Britain, a period of absence from home must not be (or must not be expected to be) more than 13 weeks. However, this is extended to 52 weeks where the applicant is:

- a remand prisoner awaiting trial or sentence;
- living in a bail or probation hostel, or bailed to live away from home;

- a hospital patient or living in accommodation other than residential accommodation for the purpose of receiving medically approved treatment or care;
- providing medically approved care to someone else, or caring for a child under 16 whose parent or guardian is away from home because he is receiving medically approved care;
- absent because of fear of violence in the home or domestic abuse;
- on an approved training course;
- a student who is eligible for council tax support (for example, if they have to study abroad as part of their course);
- in a residential care home, other than on a trial basis.

53. For absences outside Great Britain, a period of absence from home must not be (or must not be expected to be) more than 4 weeks. However, if the applicant is absent from Great Britain because of the death of a close relative and it unreasonable for him to return within the first 4 weeks, the Council may decide that council tax support can be paid for up to 8 weeks.

54. And the 4 week period can be extended to 26 weeks where the applicant is:

- a member of the armed forces on operations overseas;
- receiving medical treatment in hospital;
- absent because of fear of violence in the home or domestic abuse;
- undergoing (or his partner or dependent child is undergoing) medical treatment or medically approved convalescent care in accommodation other than residential accommodation;
- a mariner or continental-shelf worker.

Extended support - the run-on

55. Extended council tax support (sometimes known as the run-on) can be awarded to people who have been (or their partners have been) receiving Income Support, income-based Jobseeker's Allowance or income-related Employment Support Allowance for at least 26 weeks, and who come off that benefit because they or their partners start employment as an employed or self-employed earner, or increase hours or earnings where that employment is expected to last 5 weeks or more. This also applies to those who were receiving certain contributory benefits which end for the same reason. The qualifying contributory benefits are Incapacity Benefit, contributory Employment and Support Allowance, and Severe Disability Allowance. The qualifying rules are broadly the same as for those coming off income-related benefits.

56. Extended support can be made for up to 4 weeks starting from the beginning of the week after entitlement to a qualifying benefit ends. Support lasts for 4 weeks unless the applicant's liability for council tax ends first.

57. The amount of the extended payment is usually the amount that the applicant was entitled to during the last week he was receiving a qualifying benefit. However, if for any reason entitlement to council tax support after the change of circumstances is higher, the higher amount is paid.
58. Where an applicant who is entitled to extended support moves from one local authority to another, extended support may take the form of a payment from one local authority to the other, or directly to the applicant. The amount of extended payment remains the same, that is, the amount payable in respect of the last week before entitlement to a qualifying benefit ceased. Where an applicant continues to be liable for council tax, the second authority must reduce the new amount of council tax support by the amount of the extended support already awarded.
59. Entitlement to council tax support does not end until the end of the extended support period, even if entitlement would otherwise have ended based on the applicant's new circumstances. The general rules for calculating changes of circumstances do not apply.

Universal Credit

60. The calculation of council tax support for those households receiving Universal Credit is slightly different.⁴ Income is compared to an amount for living expenses in broadly the same way as for other applicants but the definitions are different.
61. For the amount for living expenses, the scheme uses the Universal Credit maximum award, including all elements such as housing. This ensures consistency of treatment between Universal Credit and the council tax reduction scheme in deciding what a person needs to live on.
62. For income, the scheme uses the assessment of income in Universal Credit which is provided by the Department for Work and Pensions, to which is added the actual award of Universal Credit. The way that Universal Credit works means that housing and childcare costs are taken into account under both 'income' and 'living expenses', in effect cancelling each other out. The figure for capital used in the assessment of Universal Credit is used for the calculation of council tax support.
63. And it is also possible to treat the income as belonging to a non-dependant (and the non-dependant's income as the applicant's) if the Council decides that an arrangement has been made to take advantage of the scheme.

⁴ Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, paragraphs 28 and 37

64. Monthly figures are converted to weekly figures by multiplying by 12 and dividing by 52.

People treated as not in Great Britain

65. Council tax support is payable only to those applicants who live in Great Britain and in some circumstances people are treated as if they are not in Great Britain and are therefore excluded from the scheme. This applies where they do not satisfy the habitual residence test and where they are subject to immigration control.

66. The habitual residence test is in two parts: first, an applicant must show that he is habitually resident (intends to settle and make his home in the UK, Channel Islands, Isle of Man, or the Republic of Ireland). Secondly, EEA nationals (people from EU countries together with Norway, Iceland, Switzerland and Liechtenstein) must have a legal right to live in the UK and claim benefits, i.e. a 'right to reside' in the UK. For example, workers, students, people who are self-sufficient or have lived in the UK for at least 5 years normally have the right to reside. From 1 April 2014, an EEA national who is a jobseeker, is not treated as having the right to reside for the purposes of applying for council tax support simply by being a jobseeker (although he may have a right to reside on some other basis, for example, as a family member of a worker).

67. An applicant will normally pass the habitual residence test if he is receiving Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance. But from 1 April 2015 this does not apply if a new applicant is receiving income-based Jobseeker's Allowance and his right to reside was decided only on the basis that he was a jobseeker or the family member of a jobseeker.

68. British citizens returning to the UK after a period of living or working abroad have an automatic right to reside in the UK but they do need to show that they are habitually resident in the UK.

69. Non-EEA and non-UK nationals may be subject to immigration control and an applicant who is subject to immigration control is excluded from applying for council tax support. For example, this applies where an applicant:

- needs permission to enter or remain in the UK but does not yet have it;
- has permission to enter or remain in the UK, but only if he does not claim benefits or use other public services;
- has been given permission to enter or remain in the UK because someone formally agreed to support him.

Students

70. A property that is wholly occupied by full-time students, for example a hall of residence, is exempt from council tax. Most students are not eligible for council tax support but some students who are liable for council tax can get support in specified

circumstances. See Annex 8 for a full account, including treatment of student income.

Effective dates

Date entitlement begins

71. An applicant's entitlement to council tax support begins from the start of the support week (Monday to Sunday) which follows the date of application. However, if an applicant becomes liable for the first time for council tax in Blackburn with Darwen and he is entitled to council tax support, his entitlement begins from the support week in which he applies. Entitlement to council tax support for persons in receipt of universal credit will start on the universal credit effective date where an award notice from the Department for Work and Pensions is received.

Date from which changes in circumstances take effect

72. Changes in circumstances also take effect from the Monday following the date of change, apart from these exceptions:

- changes in applicant's income arising from legislative changes affecting rates of income tax, personal tax reliefs, National Insurance contributions, and tax credit rates are ignored for a period of up to 30 weeks (pensioners only);
- a change in the amount of council tax payable takes effect from the date of change;
- a change in the amount a person is liable to pay by way of council tax (for example changes to a discount) also takes effect from the date of change;
- if the change applies to an applicant who now has a partner, or a partner has died, or they have separated, it takes effect from the date of the change;
- backdated payments of income are generally taken into account over an appropriate period as if they had been paid on time.

73. For working-age applicants, a change of circumstance which results in a change in entitlement to council tax support of £2 a week or less is not implemented in the way set out above. Instead, the change is recorded and is implemented only when:

- a subsequent change (or changes) during the current financial year bring the total effect of all the changes to more than £2; or
- the end of the financial year is reached, in which case the change is implemented in calculating the amount of council tax support for the new financial year.

74. The purpose of this modification is to ensure that the Council does not repeatedly send out amended council tax bills to applicants when the effect of the changes is relatively minor.

Application procedure /online applications

75. Only one partner in a couple (or a polygamous marriage) can apply for council tax support in respect of the same dwelling. If the partners cannot agree who should apply, the Council will decide for them.
76. Where a person who is liable to pay council tax is unable to act for himself and someone has been appointed to act on their behalf (for example an attorney) the person appointed can make an application on behalf of that person. Where there is no-one to act on the person's behalf, the Council may appoint someone to act. An appointee must be aged over 18 and must apply for the appointment in writing. The Council may accept as an appointee someone who has already been appointed by the Department for Work and Pensions to act in respect of a social security benefit. The Council has the power to revoke the appointment at any time and the appointee may resign on giving 4 weeks' notice. If, subsequently, another person is authorised to act on the applicant's behalf (for example, an attorney) the former appointeeship ceases. The appointee must take full responsibility for all aspects of the application and is made fully aware by the Council of the duties involved, including the consequences of failing to comply with those duties.
77. An application may be made:
- in writing; or
 - online; or
 - by telephone in exceptional circumstances.
78. Universal Credit award notices received from the Department for Work and Pensions are treated as an application for council tax support.
79. Assisted digital support is available at Blackburn and Darwen Town Halls.
80. An application made in writing has to be made to the Council office on a form provided by the Council free of charge. Where an application is made on the correct form but is not properly completed, the Council may ask the applicant to complete the form correctly. Where an application is made in writing but not on the correct form, the Council may either supply the applicant with the correct form or ask for further information and evidence.
81. If an application is made online or by telephone and the Council considers that all the required information has not been provided, the Council will give the applicant the opportunity to provide the required information.

Date on which an application is made

82. The date to be taken as the date on which the application is made is normally the date the application is received by the Council, or the date the applicant first notified the Council of his intention to apply, if this is followed up within one month by a properly completed application. There are some exceptions to this general rule:
- if an applicant has been awarded State Pension Credit which includes a guarantee credit, Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, or Universal Credit and the Council tax support application is received within one month of the claim for any of the above listed benefits, the date of application for council tax support is the first day of entitlement to one of those benefits;
 - if an applicant or his partner is in receipt of one of the above listed benefits when he becomes liable for council tax for the first time, and the council tax support claim is received within one month of becoming liable, the date of application for council tax support is the date he became liable;
 - where a couple's relationship comes to an end either due to the separation or death of one of them and the former partner was entitled to council tax support and the application is made within one month of the death or separation, the date of application for council tax support is the date of death or separation;
 - where an application is not properly completed and is corrected within one month (or longer if the Council considers reasonable) the date of application is the date on which the first contact is made. If the incomplete application is not corrected within one month or other reasonable period, the date of application for council tax support is the date when sufficient information becomes available to decide the application.

Advance applications

83. An applicant may submit an application up to 8 weeks in advance if he anticipates that he will become liable for council tax during that period. The application is treated as made on the day on which liability for council tax begins.
84. Other than where an applicant is a person treated as not being in Great Britain, the Council may treat an advance application as made in the support week before the first week of entitlement to council tax support. This applies where an applicant is not entitled to council tax support in the week after the actual date of application, but the Council considers that he will become entitled within the next 13 weeks (17 weeks for a pensioner) unless there is a change in circumstances.

Date applications are treated as made and backdating

85. Where a pensioner applies and qualifies for council tax support, his application is treated as made 3 months before it was actually made (effectively all applications from pensioners are automatically backdated for a period of 3 months). Where an

applicant applies for council tax support within one month of being awarded State Pension Credit including the guarantee credit, the three month period cannot go back any earlier than the date of his State Pension Credit claim.

86. Where an applicant requests his application to be backdated to an earlier date and shows a good reason for not making the application earlier, the application can be backdated to the latest of:
- the first day from which continuous good cause is shown;
 - 6 months before the application was made (or the request for backdating was made);
 - the start of the financial year (if over 6 months) if the Council considers exceptional circumstances are shown.

Evidence and information

87. Where appropriate, the Council can accept evidence submitted online or by telephone to support an application.
88. An applicant to council tax support must provide a National Insurance number for himself and if appropriate, others for whom he is applying, or evidence that he has applied for a National Insurance number. This requirement does not apply to a:
- child or young person;
 - person from abroad;
 - person subject to immigration control.
89. An applicant to council tax support must provide such evidence in support of his application as the Council considers reasonable, within one month of being notified of his duty to do so. This does not apply to an applicant who is a pensioner in respect of specified income which is ignored in the calculation of council tax support or whose income has been verified by The Pensions Service, where the Council has been notified of that income. The Council informs the applicant of his duty to notify any change of circumstances, and if asked by the applicant, which change of circumstances must be notified.
90. The Council can require an applicant to whom council tax support has been awarded (or any partner) who is at least the qualifying age for Pension Credit, to supply information about pension fund holders and suppliers of pension fund schemes.
91. Before a decision has been made on an application, an applicant may amend or withdraw the application by notifying the Council either in writing, by electronic communication or by telephone.

Duty to notify changes in circumstances

92. An applicant, or a person acting on behalf of the applicant, has a duty to report changes in circumstances either before an application has been decided by the Council or after council tax support has been awarded. The changes to be reported are those which the applicant might reasonably be expected to know would affect entitlement, and the changes must be notified in writing, by telephone or online within a period of 21 calendar days from the day when the change occurs, or as soon as reasonably practicable afterwards. Some types of change of circumstance do not need to be reported:

- changes in the amount of council tax payable to the council;
- changes in the ages of the applicant and his family or any non-dependants except where someone ceases to be a child or young person;
- changes which affect the amount of Income Support, income- based Jobseeker's Allowance, income-related Employment Support Allowance or Universal Credit but not the amount of council tax support, except where the benefit ceases.

93. An applicant who receives State Pension Credit and who has been awarded council tax support does not need to report changes in circumstances except:

- any changes relating to a non-dependant's income or residency;
- any absence from the home exceeding or likely to exceed 13 weeks.

94. And where State Pension Credit comprises only of Savings Credit, the applicant does not need to report changes in circumstances except:

- changes affecting a child living with him other than age;
- a change in an applicant's capital which takes, or may take, the total to more than £16,000;
- certain changes in the income or capital of a non-dependant or partner⁵

Decisions and awards

95. Once the Council is satisfied that an application for council tax support has been completed in the proper manner together with all the required evidence and information, it will make the decision within 14 days or as soon as practicable thereafter.

96. Having made the decision on an application, the Council will notify the applicant, or a person appointed to act on behalf of the applicant, immediately, and within 14 days in the case of any other decision. The notification of a decision on an application is normally in the form of a revised council tax bill which includes:

⁵ See paragraph 9 (8) (c) of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- a reminder about the duty to report changes in circumstances and an explanation of the consequences of failing to do so;
- examples of changes that might affect entitlement to council tax support or its amount;
- information about the effect of the decision on the applicant's council tax liability;
- information about appeal procedures.

97. The revised council tax bill issued by the Council advises the applicant that he can request a written breakdown of the calculation showing how the decision was reached. The Council will respond to such a request within 14 days or as soon as practicable afterwards.

98. Where the Council makes an award of council tax support the applicant's council tax account is credited, and any refunds that may be due are paid by bank transfer.

99. Where the Council revises a decision and the amount of council tax support increases, the Council will credit the applicant's council tax account, and if as a result the account is in credit a refund will be made as soon as reasonably practicable. For working-age applicants, revised decisions amounting to £2 or less are not processed immediately but rolled forward until either the total including subsequent changes reaches more than £2 or the end of the financial year.

100. Where an award of council tax support is due but the applicant has died, the Council will credit any outstanding entitlement to council tax support to the applicant's council tax account, and any credit refund will be made to the executor or administrator as soon as practicable.

101. Where an award of council tax support is revised and the new entitlement is greater than the original entitlement, the amount already awarded for the same period is offset against the new entitlement.

Use of information

102. Where it is lawful to do so, the Council uses information provided by the Department for Work and Pensions and Her Majesty's Revenues and Customs in order to calculate entitlement to council tax support. Similarly, the Council shares information with those departments when it is required to do so.

103. The Council may receive, obtain, verify, record and store information relating to applications for council tax support, from:

- the applicant;
- other persons in connection with applications;
- other local authorities;
- central government departments.

104. The Council may forward information to anyone in the Council or others authorised to act on behalf of the Council, in processing applications for council tax support. This is in accordance with the Council's privacy notice and the General Data Protection Regulation (GDPR).

Revisions and written statements

105. The Council may revise or further revise a decision at any time. On request, the applicant or the person appointed to act on his behalf, may request a written or online explanation of the revision, as long as the request is received within one month of the date of the revised decision.

106. The Council may terminate an award of council tax support, in whole or in part, if the Council considers that:

- the conditions of entitlement have not been met;
- an award should be revised or superseded;
- the applicant has failed to provide information requested;
- the application is fraudulent and/or there is deliberate misrepresentation of the facts in order to take advantage of the scheme.

Appeals

107. If an applicant is dissatisfied with the Council's decision on entitlement to council tax support or the amount awarded, he may write to the Council setting out why he is dissatisfied within one calendar month of the date of the notification/bill. The Council will then consider the matter and notifies the applicant in writing, either that he does not have a case stating the reasons why, or that action has been taken to address his concerns. If the applicant is still dissatisfied, or if the Council does not address his concerns within 2 months, he may appeal to the Valuation Tribunal.

Discretionary awards

108. If the Council considers it appropriate, it may award council tax support or additional council tax support on a discretionary basis. Applications may be made in writing or online and should be accompanied by supporting evidence. Awards will be made where a customer demonstrates financial hardship.

109. If the Council decides that a particular group of people should receive support from the discretionary scheme, it may treat an application to the main scheme as an application to the discretionary scheme as well. Any awards are credited to the applicant's council tax account. No cash awards are made.

110. Further information about the Council's discretionary scheme can be found at www.blackburn.gov.uk/benefits

Electronic communication

111. The Council may use electronic communication (for example via computer networks or mobile phones) in administering council tax support and may receive electronic communications including applications online, subject to the following conditions:

- there is an explicit authorisation given by the Council's chief executive;
- there is an approved method of authentication;
- approved forms are used;
- records are maintained in a way specified by the chief executive.

112. Any applications which are not submitted in the approved manner are treated as invalid. The Council may authorise another person or persons to act as intermediaries in connection with the delivery of information electronically and its authentication.

113. Any information delivered electronically is treated as if it were delivered in any other way required by the Council's scheme, as long as the above conditions are met. Information is treated as not delivered until it is accepted by the Council's official computer system. If, for legal reasons, it becomes necessary to prove the identity of the sender or recipient of information sent or received electronically, it is presumed to be the person named on the official computer system. Similarly, if it is necessary to prove that information sent electronically has actually been delivered to the Council, it is treated as received if it is recorded on the official computer system. By the same token, if it is not recorded as received on the official computer system it is treated as not received. And the time, date and content of any electronic communication is presumed to be that recorded on the computer system.

Fraud and compliance

114. The Council is determined to combat fraud in order to protect both its finances and the wider interests of all taxpayers. The Council makes every effort to prevent and detect fraud by using due diligence, and will take appropriate action where an application is found to be fraudulent or misrepresented to take advantage of the scheme.

115. In order to minimise the opportunity for fraud, the Council will:

- verify applications for council tax support rigorously;
- employ sufficient staff to meet its commitment to combat fraud;
- actively tackle fraud where it occurs;
- co-operate with the Department for Work and Pensions and Her Majesty's Revenue and Customs in joint-working, including prosecutions;
- in all cases seek to recover all outstanding council tax.

116. In order to ensure that the above actions are carried out successfully, the Council will put in place all the required administrative policies, procedures and processes.

Annex 1 – Glossary of terms

Alternative maximum council tax support	A way of calculating council tax support for pensioners where there is a second adult sharing the household who would normally be expected to contribute towards the council tax bill, but who cannot afford to do so.
Amount for living expenses	An amount of money assumed to be sufficient to cover day-to-day living expenses.
Applicant	A person who has made an application to the Council for council tax support.
Application	An application for council tax support.
Armed Forces Independence Payment	A payment made in accordance with an armed and reserve forces compensation scheme.
Attendance Allowance	A benefit for people aged 65 and over that helps with the extra costs of long-term illness or disability, which can be either physical and/or mental. It is paid regardless of income and savings, and is tax-free.
Carer's Allowance	A benefit for someone caring for another person for at least 35 hours a week. It is paid regardless of income and savings but can be taxable.
Child	A person under the age of 16.
Child Benefit	A non means-tested benefit (below income of £60k) to help with the cost of children. It is usually paid monthly to a person who is responsible for a child either aged under 16 or aged 16 to 20 in full-time education or training.
Child Tax Credit	A payment to help with the cost of children aged under 16, or 16 to 20 in full-time education or training, for whom a person is responsible. It is income-related and paid in addition to Child Benefit to people in work and out of work.
Close relative	A parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister. Where any of these close relatives is one member of a couple, the definition includes the other member of that couple.
Concessionary payment	A payment made in certain circumstances to compensate a person for the non-payment of a benefit or a tax credit.
Council	Blackburn with Darwen Borough Council.
Council Tax Reduction Scheme	A scheme designed to help people in financial need pay their council tax.

Council tax support	A term generally used to describe a council tax reduction scheme.
Couple	Two people who are married to, or civil partners of, each other, or are living together as though they were married or civil partners, in the same household.
Disability Living Allowance	A non means-tested, non-taxable benefit paid to people who need supervision or help with their daily or nightly care, or who have mobility problems. It has now been replaced for most people by Personal Independence Payment but is still paid for children.
Earnings	Any remuneration or profit derived from employment
Employed earner	A person who is gainfully employed under a contract of service.
Employment and Support Allowance	A benefit paid to working-age people who have an illness, health condition or a disability which makes it difficult or impossible to work. Contribution-based Employment and Support Allowance is not means-tested but based on National Insurance contributions. Income-related Employment and Support Allowance is means-tested.
Estrangement	A breakdown of a relationship between 2 persons.
Extended reduction	A set amount of council tax support made for a specified period, usually 4 weeks.
Family	A couple, or a couple where one or both have responsibility for a child or young person living in the same household, or a lone parent who has responsibility for a child or young person living in the same household.
Financial or tax year	The period beginning 6th April in one year to 5 th April in the following year.
He, him, his	In this document these terms have the same meaning as she, her and hers.
Household	Not defined as such but given its every-day meaning, taking account of factors such as the overall relationship between the parties, living arrangements and the degree to which facilities are shared. Children and young people are treated as part of the household even when temporarily absent but are not part of the household in certain specific circumstances, such as when they are living in care or formally placed with the applicant.
Housing Benefit	An income-related (means-tested) benefit paid to tenants on low incomes (either in or out of work) to help pay their

	rent. The scheme is administered by local authorities in accordance with national legislation.
Income Support	An income-related (means-tested) benefit paid to working-age people on low income such as carers and lone parents. It is not usually paid to someone receiving Jobseeker's Allowance or Employment and Support Allowance.
Jobseeker's Allowance	A benefit paid to working age people who are not working (or working less than 16 hours a week) and who are available for, and actively seeking full-time work. Contribution-based Jobseeker's Allowance is not means-tested but depends on National Insurance contributions. Income-based Jobseeker's Allowance is means-tested.
Local authority	An authority responsible for issuing council tax bills and providing a scheme for council tax support.
Lone parent	A person who has no partner and who is responsible for a child or young person living in the same household.
Macfarlane Trust	A charitable trust established to help relieve poverty or distress among those suffering from haemophilia.
Maternity leave	A period during which a woman is absent from work because she is pregnant or has given birth to a child, and after which she has the right to return to work.
Medically approved	Certified by a medical practitioner.
National Minimum Wage	The minimum amount that legally must be paid to an employed earner.
National Insurance	A form of taxation on earnings and self-employed profits paid into a fund from which some social security benefits are paid. The Department for Work and Pensions issues National Insurance numbers which are unique to each person and required when applying for council tax support.
Net earnings	The amount of earnings after specified deductions such as income tax and National Insurance contributions.
Net profit	The amount treated as self-employed earnings which is the applicant's total profit less specified deductions such as allowable expenses.
Non-dependant	A person living as a member of the applicant's household who is not his partner, or a child or young person for whom he is responsible, with certain exceptions such as joint-occupiers, boarders and paid carers.

Non-dependant deduction	A set amount deducted from an applicant's council tax support as a contribution made by a non-dependant towards household expenditure.
Occupational pension	Any pension or other periodical payment made under an occupational pension scheme.
Official computer system	A computer system maintained by or on behalf of a local authority for sending, receiving, processing or storing of any information.
Partner	The person who is the other member of a couple.
Paternity leave	A period of leave during which a father or partner is absent from work in order to care for his new-born or newly- adopted child, after which he has the right to return to work.
Pensioner	A person who has reached the qualifying age for State Pension Credit and is not (or where there is a partner the partner is not) receiving a working-age income-related benefit.
Personal Independence Payment	A replacement benefit for Disability Living Allowance designed to provide help to people over 16 who need care or who have mobility needs. It is not means-tested or taxable.
Personal pension scheme	A pension that a person arranges individually which is based on how much is paid into the scheme and how successful the pension provider's investments are.
Polygamous marriage	A person who is a husband or wife as a result of a marriage entered into under a law which permits polygamy and either party to the marriage has an additional spouse.
Public authority	A body or organisation which has a public function, for example the NHS and local authorities.
Relative	A close relative (as defined above) as well as a grandparent, grandchild, uncle, aunt, nephew or niece.
Remunerative work	Where a person is working for at least 16 hours a week (which may be an average) for which payment is made or which is done in expectation of payment.
Resident	An applicant is resident in a dwelling if he occupies it as his sole or main home.
Residence rules	Qualifying conditions whereby an applicant has to establish that he has the right to live in the UK and

	intends to settle in the UK, Isle of Man, Channel Islands or Ireland and make it his home.
Second adult reduction (or second adult rebate)	Another term for alternative maximum council tax support (see above).
Self-employed earner	A person who is gainfully employed in Great Britain otherwise than in employed-earners employment.
Service user	A person who is consulted by, or on behalf of, certain public bodies.
State Pension Credit	An income-related (means-tested) benefit paid to pensioners on a low income. It has two components: the minimum guarantee and an additional 'savings credit' designed to reward those who have put by savings and income for retirement.
Sports award	An award made by certain specific sports councils from funds derived from the National Lottery.
Student	A person who is attending or undertaking a defined course of study at an educational establishment or on a qualifying course.
Support or reduction week	A period of 7 days commencing on a Monday and ending on a Sunday.
Temporary absence	A period not exceeding a specified number of weeks where a person is temporarily absent from their home and intending to return to that home, and has not sub-let that part of the home they normally occupy.
The Trusts	The Macfarlane Trust, the Macfarlane (Special Payments Trust) and the Macfarlane (Special Payments) (No.2) Trust.
Universal Credit	An income-related (means-tested) benefit for people of working-age who are on a low income. It replaces four existing means-tested benefits, including Housing Benefit and two tax credits.
Voluntary organisation	A body other than a public or local authority whose activities are carried out on a not-for-profit basis.
War Disablement Pension	A payment paid to people who have been injured or disabled as a result of any service in Her Majesty's Armed Forces. The amount paid depends on the severity of the disablement.
War Widow's Pension	A pension payable to the widow, widower or in some circumstances the children of someone killed in the

	Armed Forces or who died later as a result of injury in the Armed Forces.
Working-age applicant	A person who has not reached the qualifying age for State Pension Credit or who has reached that age but is receiving (or where there is a partner the partner is receiving) a working-age income-related benefit.
Working Tax Credit	An income-related payment made to someone in paid work but on a low income. Different qualifying conditions apply depending on age and hours worked.
Young person	A person who is a qualifying young person for Child Benefit purposes. The young person must be over 16 and under 20 and on a course of full-time, non-advanced education or in approved training, or in appropriate full-time education.

Annex 2 - Polygamous marriages

A polygamous marriage means any marriage where one party is married to more than one person, and the ceremony of marriage took place under the law of a country which permits polygamy. The amount for living expenses for polygamously married couples is calculated by awarding the highest amount applicable to the applicant and one of his partners. An additional amount is awarded for each other partner and is the difference between the allowance for a single person aged 25 or over and a couple aged 18 or over (See Appendix 1). The amounts awarded for children and other components are the same as for other applicants.

Where an applicant is polygamously married he is treated as possessing the income and capital of all partners to the marriage with whom he shares the household.

Where a person who is polygamously married lives as a non-dependant member of an applicant's household, only one non-dependant deduction is made, but the amount deducted is the highest applicable after taking account of the circumstances and income of all partners in the marriage.

Annex 3 - Childcare charges

Where incurred, childcare charges can be deducted from income where the applicant is:

- A lone parent who is working at least 16 hours a week;
- A member of a couple both of whom are working at least 16 hours a week;

- A member of a couple one of whom is working and the other is incapacitated, in hospital or in prison.

For the purposes of childcare charges an applicant can be treated as working during the first 28 weeks of a period of sickness as long as he was in work immediately before getting a specified sickness or disability benefit (or appropriate National Insurance credits). Also, an applicant can be treated as working if he is absent from work, on maternity, adoption, shared parental or paternity leave, as long as he was in work immediately before the leave began and is entitled to statutory, maternity, adoption, paternity or shared parental pay or maternity allowance.

To be eligible, the childcare charges must be:

- paid by the applicant or his partner;
- in respect of a child who is a member of the applicant's family;
- for care provided by specified care providers, for example registered child minders;
- in respect of a period before the first Monday following the child's 15th birthday (16th birthday if the child is disabled).

The charges cannot be for care provided by a member of the applicant's family or for care which mainly takes place in the applicant's home. And the charges cannot be payments in respect of the child's compulsory education.

Childcare charges are estimated over an appropriate period of no more than one year in order to arrive at an accurate average weekly charge.

Annex 4 - Definition of earnings as an employed earner

The definition of earnings includes the following:

- any bonus or commission;
- payments to compensate for loss of earnings but not redundancy payments;
- payments in lieu of notice or payments intended as compensation for loss of employment;
- holiday pay but not if it is paid more than 4 weeks after employment ends;
- payments made for a period when no actual work has been carried out, for example a retainer;
- any expenses which are not 'wholly, exclusively and necessarily incurred' in connection with employment such as travelling expenses between home and work;
- compensation for unfair dismissal from work and any other payment made under employment rights legislation;
- any statutory sick pay, maternity pay, paternity pay and adoption pay;
- payments made by or on behalf of an employer to an applicant who is on maternity or paternity leave, adoption leave or is absent from work because of illness;

- non-cash vouchers which have been counted when calculating liability to pay National Insurance contributions.

The definition of earnings does not include:

- payments in kind with the exception of non-cash vouchers as above;
- expenses which are ‘wholly, exclusively and necessarily incurred’ in connection with employment;
- any occupational pension;
- expenses arising from participation in consultation exercises on behalf of specified public authorities.

Annex 5 - Calculation of self-employed earnings

The earnings of a self-employed earner are the gross income from the employment. Local authority payments to foster parents, and certain kinship carers are not treated as self-employed earnings but as income other than earnings.

Royalties, copyright, design, patent, trademark and Public Lending Right Scheme payments are taken into account over a set period of weeks. The number of weeks is obtained by dividing the amount of the payments by the amount of council tax support which would be payable had the applicant not received the payments, plus the amount that would normally be ignored in his case.

The earnings to be taken into account are the net profit from the business less any amount which is ignored under Appendix 3. Where a self-employed applicant is a partner (or a share fisherman) the net profit is his share of the profit.

In order to arrive at a figure for net profit, the following expenses are deducted from gross earnings:

- any expenses ‘wholly and exclusively’ incurred including repayments of capital on business loans for the replacement of equipment or machinery, or the repair of existing business assets (after any insurance payments);
- appropriate income tax and National Insurance contributions;
- one half of any sum paid periodically in respect of a personal pension scheme;
- net payments of VAT and interest payments on loans taken out for the purposes of the applicant’s business.

The following items are not considered to be expenses:

- capital expenditure;
- depreciation of any capital asset;
- any sum earmarked for setting up or expanding the business;
- losses incurred before the period over which the earnings are calculated;
- repayment of capital on business loans;

- any debts owed to the business except certain irrecoverable debts;
- expenses that the Council consider have not been reasonably incurred;

Special arrangements apply in assessing the net profit of childminders. The net profit is one third of the earnings less income tax, National Insurance contributions and one half of the payments to a personal pension scheme.

Where an applicant has more than one employment as a self-employed earner, any losses incurred in any one of his employments cannot be offset against his earnings in any other of his employments.

Annex 6 - Calculation of income other than earnings

The following are examples of how an applicant's income other than earnings is calculated:

- where a benefit payment, for example Income Support, includes a deduction to recover an overpayment, it is the gross amount of the benefit that is taken into account;
- where an applicant is receiving a reduced rate of contributory Employment and Support Allowance because of a sanction, it is the full amount that is taken into account;
- where tax credit for the current tax year includes a deduction to recover an overpayment of tax credits for the previous year, it is the tax credit less the deduction that is taken into account;
- where a student applicant in receipt of a student loan leaves their course prematurely, he is treated as having the same weekly income from the loan as if he had completed the course, but only for the period during which he attended the course.

Annex 7 - Income which is treated as capital

- occasional bonus payments to part-time coastguards, fire-fighters, and those manning lifeboats;
- refunds of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E;
- any holiday pay which is paid more than 4 weeks after the employment ends;
- with some exceptions (see Appendix 5) any income derived from capital but only from the date it is normally due to be credited to the applicant's account;
- any advance of employed earnings or any loan made by the applicant's employer;

- with the exception of payments made by certain specified⁶ trust funds, any charitable or voluntary payment which is not made or due to be made at regular intervals;
- the gross receipts of any commercial activity undertaken by a self-employed applicant receiving council tax support, but only if those receipts were payable into a special account;
- any arrears of subsistence allowance which are paid to an applicant as a lump sum;
- any arrears of working tax credit or child tax credit;
- any payment made through an approved trust for providing assistance to a disabled person whose disabilities were caused by the Thalidomide drug.

Annex 8 - Students

To be eligible for council tax support, a student must be liable for council tax and be in one of the following categories:

- receiving Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance;
- a lone-parent;
- student couples with responsibility for a child or young person;
- disabled and would be entitled to a disability premium;
- a single foster carer;
- treated as incapable of work (or having limited capability for work) for a continuous period of at least 156 days;
- under 21 and not in higher education;
- under 20 and someone receives Child Benefit for them;
- receiving a Disabled Student's Allowance for deafness;
- have interrupted their course due to illness or caring responsibilities (with the approval of their college or university) for the period between their illness or caring responsibilities ending and when they return to University, but only if they do not receive student finance during that time;
- pension-age, or whose partner is pension-age;
- covered by a sick note saying that they have not been able to work due to illness or disability for at least 28 weeks;
- part-time students.

Calculation of grant income

A student's grant income is taken fully into account, except payments for the following:

- tuition or examination fees;

⁶ Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, paragraph 64 (7)

- in respect of disability;
- residential study away from their normal place of study;
- maintaining a home away from their normal place of study;
- £390 for the cost of books and equipment, £303 for travel expenses (but only where the student does not have or treated as having a student loan) and childcare costs;
- higher education bursary for care leavers;
- the grant for dependants known as the parents' learning allowance.

Where a student receives other income (for example a gift) to cover expenditure necessarily incurred in respect of the above items, it is ignored but only to the extent that it exceeds the amount ignored from grant income (for example, £390 for the cost of books).

Grant income is normally taken into account over the period of study for which it paid. This generally means the period beginning with the start of the course and ending with the last day of the course. In the case of a sandwich course, any periods of work experience are excluded from this calculation.

Calculation of student loans

A student loan (or a postgraduate master's degree loan) is treated as income. This also applies where a student doesn't actually have a loan but could obtain one. And if a student is treated as having a loan it is the maximum amount available (or in the case of a postgraduate master's degree loan 30% of the maximum available) which is treated as income.

£10 of the weekly amount is ignored. A fixed amount of £390 towards the cost of books and equipment, and £303 towards the cost of travel is deducted from the loan income, whether or not the costs are actually incurred.

Any loan taken out by a student to pay their fee contribution to an educational establishment is ignored.

Any discretionary access funds paid periodically by a college or university are ignored unless intended for and used for specified basic needs, in which case the funds are fully taken into account less £20 a week. Where access funds are paid by way of a lump sum, the lump sum is treated as capital. However, where the lump sum is used for items other than specified basic needs it is ignored for a period of 52 weeks from the date of payment.

Where a student's partner has been assessed for a contribution to his grant or loan, that contribution is taken into account as income, but an equal amount of the partner's income is ignored.

Appendix 1 - Living expenses

The amounts for living expenses consist of amounts for the applicant and where appropriate his partner (known as personal allowances), amounts for children and young people, and additional amounts, known as premiums, mainly for disability and caring responsibilities.

Amounts for the applicant	£ per week
Single person aged between 18 and 24	57.90
Single person on full Employment and Support Allowance	73.10
Single person aged between 25 and pension age	73.10
Lone parent below pension age	73.10
Couple below pension age	114.85
Single person or lone parent who has reached pension age	181.00
Couple, one or both have reached pension age	270.60
Amounts for children, young people	£ per week
Dependent child/young person aged under 20 ⁷	66.90
Premiums	£ per week
Family premium	17.45
Family premium (lone parent in certain circumstances)	22.20
Disabled child premium (for each child)	64.19
Carer premium	36.85
Disability premium for single claimant	34.35
Disability premium for a couple	48.95

⁷ This was limited to 2 children from 6th April 2017 in the prescribed scheme but the Council has decided to include all children and young persons in its scheme.

Enhanced disability premium for single claimant	16.80
Enhanced disability premium for a couple	24.10
Enhanced disability premium for a child	26.04
Severe disability premium for single claimant	65.85
Severe disability premium for a couple (one qualifies)	65.85
Severe disability premium for a couple (both qualify)	131.70
For certain applicants in receipt of Employment and Support Allowance	£ per week
Work related activity component	29.05
Support component	38.55

A brief explanation of qualifying conditions for the various premiums:

Family Premium

This applies where the applicant's family includes at least one child or young person. It was abolished from 1st May 2016 in the prescribed scheme but the Council has decided to retain it.

Disabled child premium

This applies where an applicant or partner is responsible for a child or young person living in their household who meets at least one of the following conditions:

- is blind;
- receives Disability Living Allowance;
- receives Personal Independence Payment;
- would receive one of these benefits if they were not in hospital.

The disabled child premium is paid for each child who satisfies one of the above conditions.

Carer Premium

This applies where an applicant or partner is entitled to Carer's Allowance (including where Carer's Allowance is not paid because of overlapping benefit rules). The applicant must have actually made a claim for Carer's Allowance in order for the premium to apply.

If both the applicant and his partner qualify for carer premium, two premiums are paid.

Disability premium

This applies where an applicant or his partner is under the qualifying age for State Pension Credit and either registered blind or receiving:

- Disability Living Allowance;
- Personal Independence Payment;
- Armed Forces Independence Payment;
- Working Tax Credit with a disability element;
- Attendance Allowance;
- Constant Attendance Allowance;
- War Pensioners Mobility Supplement;
- Severe Disablement Allowance;
- Incapacity Benefit.

It is also paid in certain circumstances where an applicant has been unable to work for at least a year.

Enhanced disability premium

This applies where an applicant or his partner is under the qualifying age for State Pension Credit and receiving the disability premium or income-related Employment Support Allowance, and one of the following:

- Personal Independence Payment daily living component at the higher ('enhanced') rate;
- Armed Forces Independence Payment;
- Disability Living Allowance care component at the highest rate.

Or an applicant is in the support group for income-related Employment Support Allowance.

Severe disability premium

This applies where an applicant is receiving the disability premium or income-related Employment Support Allowance, and one of the following qualifying benefits:

- Personal Independence Payment daily living component;
- Armed Forces Independence Payment;
- Disability Living Allowance care component at the middle or highest rate;

- Attendance Allowance (or Constant Attendance Allowance paid with Industrial Injuries Disablement Benefit or War Pension).

A further condition is that no-one aged 18 or over is living with the applicant, unless they're in one of these situations:

- they receive a qualifying benefit;
- they are registered blind;
- they are a boarder or sub-tenant (but not a close relative);
- they make separate payments to the landlord.

The severe disability premium is not paid if someone is receiving Carer's Allowance or the carer's element of Universal Credit for looking after the applicant.

Couples receive the higher amount of severe disability premium if both of them are eligible, or the lower amount if:

- someone receives Carer's Allowance or the carer's element of Universal Credit for looking after only one member of the couple; or
- only one member of the couple meets the eligibility criteria and the other is registered blind.

Appendix 2 - Alternative Maximum Council Tax Reduction (or Second Adult Reduction) - Pensioners

Pensioners may qualify for council tax support through the alternative maximum council tax reduction, sometimes known as the second adult reduction or rebate. This is where there is a second adult sharing the household who would normally be expected to contribute towards the council tax bill, but who cannot afford to do so. The amount of the reduction depends on the income of the second adult:

Where the second adult or second adults are in receipt of Income Support, income-related Employment and Support Allowance, income-based Jobseeker's Allowance or State Pension Credit.	25%
Where the gross income of the second adult, or where there is more than one second adult, their aggregate income (ignoring income from income-related benefits) is less than £201 per week.	15%
As above, but where the income is £201 per week but less than £260 per week.	7.5%
Where a dwelling would be wholly occupied by students (who are not entitled to council tax support under the main	100%

scheme) but for the presence of one or more second adults in receipt of an income-related benefit.	
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In calculating a second adult's gross income, payments of Attendance Allowance, Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment are ignored. Payments from certain specified trusts such as the Macfarlane Trust are also ignored.

Appendix 3 - Earnings that are ignored fully or in part

Earnings paid before the first day of entitlement

Where an applicant ceases employment as an employed earner because of retirement and is entitled to retirement pension (or would be if he satisfied the contribution conditions), his earnings are ignored from the date after the employment has been terminated.

Where an applicant ceases employment as an employed earner for reasons other than retirement before the first day of entitlement to council tax support, his earnings are ignored except for certain specified payments such as retainers and compensation for unfair dismissal.

Where an applicant has not ceased employment but his working hours have decreased to fewer than 16, or he is ill or she is on maternity leave before the first day of entitlement to council tax support, the earnings are ignored other than specified payments such as statutory sick pay, statutory maternity pay, paternity or shared parental pay.

The above paragraphs also apply when an applicant has been working part-time (fewer than 16 hours a week) and that employment either comes to an end or is interrupted.

Similar arrangements apply when employment or part-time employment as a self-employed earner comes to an end: earnings, other than royalties or analogous payments, are ignored from the date the employment ended.

Earnings paid when council tax support has been awarded

The applicant's earnings which are ignored are shown in the table below.

Amount ignored	Circumstances which must apply
All	Where the applicant is receiving Income Support, income-based Jobseekers Allowance, income-related Employment and Support Allowance or Universal Credit because earnings will already have been taken into account in assessing entitlement to these benefits.
£20	Entitled to a disability or severe disability premium, work-related activity or support component of Employment and Support Allowance or a carer premium. (NB £20 in total for couples.)
£25	Lone parent.
£10	Couples where £20 is not ignored.

£20	Where the applicant receives earnings from employment as a part-time fire fighter, auxiliary coastguard, manning or launching a lifeboat or being a member of any territorial or reserve force. (NB £20 in total for couples if they are both employed in this way.)
£5	Single person where £20 is not ignored.
All	Earnings of a child or young person.

If earnings are paid abroad and cannot be transferred to the United Kingdom they are ignored whilst the situation exists. If earnings paid in a different currency have to be converted into sterling any banking charge or commission is ignored.

In addition to the amounts listed in the table above a further £17.10 is ignored where the applicant:

- qualifies for a 30 hour element in the calculation of their working tax credit;
- is aged at least 25 and who works for at least 30 hours a week or who has a partner who does so;
- has a partner and one of them is working 16 hours or more a week and whose family includes at least one child or young person;
- is a lone parent working 16 hours a week or more;
- is working or his partner is working 16 hours or more a week and is entitled to a disability premium, a work-related activity component or a support component of Employment and Support Allowance.

Appendix 4 - Income other than earnings that is ignored fully or in part

Income wholly ignored – benefit payments:

- Attendance Allowance, Disability Living Allowance, Personal Independence Payment Armed Forces Independence Payment and any mobility supplement paid to members of the armed forces;
- all income when the applicant is receiving Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Universal Credit;
- any concessionary payment made to compensate for non-payment of any of the benefits mentioned immediately above;
- War Disablement Pension, a War Widow's or War Widower's Pension and certain analogous payments;
- Christmas bonus for pensioners;
- Guardian's Allowance;
- Child Benefit;
- Discretionary Housing Payments;
- payments made under a local welfare provision (formerly part of the Social Fund);

- any increase in the rate of social security benefits for a dependant who is not a member of the claimant's family.

Income wholly ignored – expenses:

- any payment made for travelling or other expenses relating to participation in a recognised work programme;
- any payment made for expenses incurred for unpaid voluntary work;
- payments arising from participation in consultation exercises undertaken by certain public bodies;
- payments for expenses to attend a court of law (for example, travel, subsistence and accommodation), for example jury service or acting as a witness;
- any payment of expenses in respect of an employed earner that is 'wholly, exclusively and necessarily incurred'.

Income wholly ignored – other:

- charitable and voluntary payments, but not where the payment is made by a former partner of the applicant, or former partner of any member of the applicant's family or the parent of a child or young person where they are a member of the applicant's family;
- certain personal injury payments including payments under an annuity or court order;
- any payment made to the applicant as a holder of the Victoria Cross, the George Cross or any analogous payment;
- payments made from the Macfarlane and similar trusts, and certain analogous payments;
- any payment made under the Assisted Prison Visit's Scheme set up to help relatives or other persons to visit persons in custody;
- payments akin to education maintenance allowance;
- certain specified training allowances;
- any payment made under the Employment Services Access to Work scheme for disabled people;
- direct payments made to disabled people to buy services and direct payments in lieu of health care;
- payments made by a local authority to enable the applicant or his partner to live independently;
- a parental contribution taken into account in calculating a student's grant or loan, and payments where there is not a grant or loan up to a limited extent;
- payments made to the applicant by a child, young person or non-dependant;
- child maintenance payments except when paid by the applicant or his partner;
- certain payments made in respect of adoption, fostering and provision of respite care;

- payments made in lieu of vouchers for Healthy Start food and vitamins or for milk tokens;
- income in kind;
- income derived from capital in most circumstances;
- income from abroad that cannot be transferred to the United Kingdom;
- any banking charges or commission to convert a payment of income into sterling;
- payments received under an insurance policy taken out against the risk of being unable to maintain certain loan repayments;
- tax on income which is otherwise taken into account;
- payments of income which are treated as capital under this scheme;
- payments in respect of certain NHS charges, for example dental treatment;
- sports awards, unless they are intended for certain basic needs.

Income partially ignored

Subject to a combined maximum of £20:

- £15 of any Widowed Mother's Allowance or Widowed Parents' Allowance;
- £15 of maintenance payments other than child maintenance;
- £20 of payments to the applicant made by sub-tenants of the applicant's home with a formal liability to pay rent;
- £20 of payments made by a boarder plus half the amount in excess of £20;
- payments of Working Tax Credit up to £17.10 where earnings are too low to use the whole amount ignored under standard arrangements.

Appendix 5 - Capital that is ignored

Property

- the dwelling normally occupied by the applicant as his home including any garden, garage and outbuildings;
- premises occupied wholly or partly by a partner, relative or any member of the applicant's family as his home where that person has attained the qualifying age for State Pension Credit or is incapacitated;
- premises occupied by a former partner as his home providing that the applicant is not estranged or divorced from his former partner, nor where the applicant had formed a civil partnership that has been dissolved;
- any premises that the applicant acquires and intends to occupy as his home within 26 weeks from the date of acquisition or within a longer period if the Council considers reasonable;
- any sum solely attributable to the sale of premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises that he

intends to occupy as his home within 26 weeks of the sale, or a longer period if the Council considers reasonable and necessary to secure the purchase;

- any future interest in property (for example where a person has been left property for life that the applicant is due to inherit on their death) but not where the applicant has granted a lease or tenancy including sub-leases or sub-tenancies;
- the business assets owned wholly or partly by the applicant while working for the business, but where he ceases working, the value of the business assets are ignored only for a period in which the Council decides is reasonable to allow for the disposal of such assets;
- payments for repair to, or replacement of, personal possessions, repairs or improvements to the home are ignored for 26 weeks or a longer period if the Council considers it reasonable;
- the applicant's former home which he left following estrangement, divorce or dissolution of a civil partnership for a period of 26 weeks from the date on which the applicant left the home. Where the applicant's former home is occupied by the former partner who is a lone parent, the value of the home is ignored so long as the former partner continues to occupy the home;
- for 26 weeks or longer if reasonable, the value of any premises which the applicant is taking reasonable steps either to dispose of, or to obtain possession of, or which he intends to occupy after essential repairs or alternations;
- deposits held by a housing association, and (for 26 weeks or a longer period if the Council considers reasonable) deposits that were so held and earmarked for buying a home;
- for 26 weeks or longer if reasonable, any grant made by a local authority in order to help purchase premises that an applicant intends to occupy as his home or for essential repairs or alterations to be carried out and make fit for occupation.

Benefits

- capital already taken into account when the applicant is receiving Universal Credit, Income Support, income-based Jobseeker's Allowance, or income-related Employment and Support Allowance;
- payments of arrears or compensation in respect of any income-related benefit, discretionary housing payment and tax credit for a period of 52 weeks from the date of receipt of those arrears;
- payments made under a local welfare provision (formerly part of the Social Fund) sometimes known as occasional assistance;
- compensation for late payment of a social security benefit;
- any payment to rectify or compensate for an official error relating to specified social security benefits, but where the payment is £5,000 or more, only as long as the payment is made on or after the date on which council tax support is awarded and only for the duration of that award;
- for 52 weeks any payment of council tax support;

- where an applicant is entitled to council tax support solely through the alternative council tax support route (see Appendix 2), all his capital is ignored.

Compensation

- any payments made from the Macfarlane and similar trusts and certain other analogous trusts;
- any payment made to the applicant or his partner as a result of personal injury but only for a period of 52 weeks;
- compensation paid to children and young people for personal injury or the death of a parent while the capital is held by a court or administered by a responsible person;
- any £10,000 ex gratia payment made as a result of imprisonment or internment by the Japanese during the Second World War;
- the value of certain trust funds derived from payments made as a result of personal injury;
- certain trust payments made to the applicant or a member of his family to compensate those who suffer from or who have died from variant Creutzfeldt-Jakob disease;
- payments made to people who were slaves or forced labourers, suffered property loss or personal injury, or who were parents of a child who died during the Second World War;
- payments made to those with an annuity policy from the Equitable Life Assurance Company.

Other

- personal possessions unless they have been bought to secure or increase entitlement to council tax support;
- cash payments made by a local authority to help children in need;
- payments made by a local authority to a person aged 18 or over who was formerly in the applicant's care and continues to live with the applicant and who gives the payments to the applicant;
- any payments in kind made by a charity or made from the MacFarlane or similar specified trusts;
- the health-in-pregnancy grant paid to pregnant women to help them prepare for the birth of the baby;
- any payment other than a training allowance made to assist disabled people to obtain or retain employment;
- any payment made by a local authority under specified provisions to a blind homeworker;
- any payment made to the applicant as holder of the Victoria or George Cross;
- for 52 weeks, any arrears of a specified military pension;
- payments akin to an education maintenance allowance;
- for 52 weeks, any arrears of subsistence allowance;

- payments made by a local authority intended to enable an applicant or his partner to live independently in their accommodation;
- any direct payments for health care;
- certain payments made in respect of adoption, fostering and guardianship support;
- for 52 weeks, payments made in respect of certain NHS charges, hospital travel costs, payments in lieu of Healthy Start food vouchers, milk tokens or the supply of vitamins, and for assisted prison visits;
- the surrender value of annuities or the right to receive income under them;
- the surrender value of any life insurance policy;
- where a payment of capital is made by instalments, the value of the right to receive outstanding instalments;
- payments made to help people select, train for, obtain and retain employment under the Employment and Training Act 1973;
- for 52 weeks, any payment to a self-employed person in order to establish or develop his business;
- for 26 weeks, sports awards unless intended for basic needs;
- the value of the right to receive any income payable abroad which cannot be transferred to the United Kingdom;
- any banking charges or commission to convert a payment of capital into sterling;
- the right to receive any income under a life interest or life rent;
- the value of the right to receive an occupational or personal pension;
- the value of any funds held under a personal pension scheme;
- the value of the right to receive any rent except where the applicant has a reversionary interest in the property where rent is due.