

# CORK COUNTY COUNCIL

## County Wide Differential Rent Scheme - 2021

### Ref. CCC/CWDRS 2021

This Scheme is prepared by Cork County Council, under the authority vested in it by Section 58 of the Housing Act, 1966 and having regard to Article 64 of the Housing Regulations 1980, Circular Letter HRT /6/86 dated 14<sup>th</sup> August 1986 issued by the Department of the Environment and Circular letter 26/2015 issued by the Department of the Environment, Community and Local Government dated 30<sup>th</sup> June 2015.

#### 1. SCOPE OF SCHEME

This Scheme shall apply throughout Cork County Council and is effective from week ending 20<sup>th</sup> February 2021.

This Scheme shall also apply to tenants in RAS, HAP and leased accommodation.

#### 2. DIFFERENTIAL RENTS

- (i) Rents of dwellings let from week ending 20<sup>th</sup> February 2021 on differential rent will be calculated, in accordance with this Scheme, as a proportion of the assessable income of the principal earner together with a contribution from any subsidiary earners in the household. In determining rent in the case of a new tenancy, assessable income shall be reckoned by reference to the income situation of the family as at the date of appointment.
- (ii) Assessable income of the principal earner is income from the following sources, assessed in full, but reduced by pay-related social insurance contribution, any income tax or other statutory deductions excluding court orders payable on such income:
  - (a) income from employment including self-employment,
  - (b) all social insurance and social assistance payments, allowances and pensions, Health Service Executive allowances and FÁS/Solas training allowance except payments listed at (vii) beneath.
  - (c) Working Family Payment (formerly Family Income Supplement),
  - (d) Income from pensions of kinds not already included at (b) above,
  - (e) Child maintenance payments.
- (iii) Income of an employed person is, in general, the normal weekly rate of remuneration as defined in the relevant legislation except that occasional overtime payments are excluded. All regular payments in the nature of pay are included.
- (iv) Where the income details submitted are less than the minimum Social Welfare entitlement for a specific family composition, the rent will be assessed based on general Social Welfare Entitlements.
- (v) **Principal Earner** is the person (either the tenant or any other person normally resident in the household) who is in receipt of the highest assessable income within the household.
- (vi) **Subsidiary Earner** is a member of the household, other than the principal earner, who has an income.
- (vii) **Income from the following sources is disregarded for the purposes of calculation of rents:**
  - a) Children's allowances, Orphan's Allowances or Orphan's Pensions payable under the Social Welfare (Consolidation) Act, 1981
  - b) Scholarships/Higher Education Grants.
  - c) Allowances payable under the Boarding Out of Children Regulations, 1954 including Foster Care Allowance & Guardians Payment
  - d) Allowance for domiciliary care of handicapped children under the Health Act, 1970
  - e) Carers Allowances – where a person is in receipt of Carers Allowance, the rent will be assessed on the basic relevant rate of Social Welfare
  - f) Income of a person on a “**Back to Work**” Scheme is to be calculated on income from employment excluding the Back to Work Allowance or the maximum Social Welfare rate, whichever is the greater
  - g) Income of a person on a “**Community Employment**” Scheme is to be calculated on the maximum Social Welfare rate
  - h) Fuel allowance
  - i) Living Alone Allowance

- j) Telephone Support Allowance
- k) Payments to students attending a Youth Reach programme
- l) Vocational Training Opportunities Scheme (VTOS) training allowance – where a person is in VTOS, the rent will be assessed on the basic relevant rate of Social Welfare
- m) Other allowances that the Council may consider analogous to those listed above

### 3. CALCULATION OF RENT

The rents of dwellings let on differential rent shall be determined on the basis of the following scale of assessable income to which the principal earner's allowances and rent fractions shown shall be applied:

<u>Assessable weekly income of principal earner</u>	<u>Rent</u>
Up to €140.00	€17.50
Over €140.00	€17.50 plus 21% of all additional assessable income.

The resultant rent shall be reduced by an amount of €3.00 per week for: -

- Each child less than 18 years who has no income *or*
- Each adult resident in the household who is not in receipt of income

Where an adult child of 18 years and up to 22 years is attending a full-time course of education and is wholly or mainly maintained by the parents/guardians, letter to be obtained from School/College to confirm adult child is in full time education.

#### Subsidiary Earners

After the rent payable in respect of the principal earner has been determined, one-seventh of the income of each subsidiary earner which exceeds €23.50 should be added, subject to a maximum contribution of **€10.00** by each subsidiary earner. The amount of rent calculated in this way should not be less than the minimum rent set out in Paragraph 5.

### 4. MAXIMUM RENTS

No maximum rent will apply to any rent.

However, where a tenant fails to return a Rent Assessment Form, a rent of **€170 per week** will be applied to their account.

### 5. APPLICATION OF RENT SCHEME - 2021

Rents will be calculated in accordance with the terms of this Scheme from the effective date as per Section 1.

### 6. MINIMUM RENTS

Where the weekly rent determined in accordance with Paragraph 3 above results in a rent of less than €25.00, a minimum rent of €25.00 will apply and for demountable dwellings, mobile homes, caravans, a fixed rent of €10.00 will apply.

### 7. CASES OF HARDSHIP

In exceptional circumstances where payment of a rent calculated under Paragraph 3 would, in the opinion of the authority give rise to hardship, the Council may agree to accept a lesser sum from a tenant for a specified period.

### 8. ROUNDING OFF

Where the rents calculated in accordance with the preceding paragraphs are not multiples of 50c they shall be rounded up to the next 50c multiple.

### 9. REVIEW OF INCOMES

The tenant shall notify the Council immediately of any change in income or in family circumstances and comply with the requirements of Letting Agreement in this regard. Where a tenant does not comply with this Section, the Council reserves the right to apply any rent increase retrospectively.