



## **HOUSING DIFFERENTIAL RENTS SCHEME**

### 1. **Effective Date**

This scheme will apply with effect from the **1st day of January, 2018**.

It will supersede all existing Mayo County Council or former Town Council Differential Rent Schemes.

### 2. **Income Related Rents**

- (a) Rent on dwellings let on an Income Related Basis will be calculated in accordance with clause 3 below as a proportion of the assessable principal household income (as defined below) together with a contribution from subsidiary earners in the household.
- (b) ***Assessable Income is*** Income from the following sources, assessed in full, but reduced by Income Tax, PRSI, USC and any Pension Levy under FEMPI legislation;
  - (i) Basic weekly income from employment, including self-employment and all regular allowances (excluding overtime). Self-employment income will not be deemed to be below the basic social protection income for the equivalent household size.
  - (ii) All Social Protection and Health Service Executive payments and all other payments and allowances from whatever source unless they are specifically excluded (see appendix 2).

- (c) **Principal Household Income** is the aggregate income of the Tenants in the case of a joint tenancy or the aggregate income of the Tenant and Spouse/Partner (if any) in the case of a single tenancy.
- (d) **Weekly Rent** is the rent calculated in accordance with the terms of this Scheme on the Principal Household Income plus an additional amount in respect of the income of each subsidiary earner
- (e) **Subsidiary Earner** is a household occupant who is not a party to the tenancy agreement. Household occupants under the age of 18 or between the ages of 18 and 23 who are in full time education are not considered to be subsidiary earners. Subsidiary income refers to all income of the subsidiary earner, irregardless of the source.
- (f) For a complete list of assessable household income see Appendix 1.
- (g) For a complete list of household income disregards see Appendix 2

### **3 Calculation of Weekly Differential Rent**

The **Weekly Rent** of dwellings let on differential rent will be determined as follows:

- (i) The weekly assessable income of the tenant and spouse/partner will be calculated and a rent of 16% of the assessable weekly income will be charged;
- (ii) In addition, in respect of any subsidiary earners 10% of the assessable weekly income of each subsidiary earner, subject to a maximum of €20 per subsidiary earner, shall be added.
- (iii) The Weekly Rent will be the sum of (i) and (ii) as set out above.

#### **4. Other Issues**

##### **(a) Minimum Rent**

The minimum weekly rent of any dwelling shall be €30.00. Should the amount of rent calculated in accordance with Clause 3 not equal or not exceed the minimum rent of €30 per week the minimum rent shall apply.

##### **(b) Hardship Clause**

In exceptional circumstances where payment of a rent calculated in accordance with this Scheme would, in the opinion of the Local Authority, give rise to hardship, the Authority may agree to accept a lesser sum from the Tenant, subject to review from time to time. For further information and accompanying application form for a reduction in rent due to hardship see Appendix 3.

##### **(c) Review of Income**

- i. The Tenant must notify the Local Authority immediately of any changes in household income or in family composition, which would affect the rent calculation.
- ii. Where the Local Authority becomes aware of a change in household income or in family composition, which required notification under (i) above, and such notification has not been given as required, any rent adjustment resulting in an increased or decreased rent will be applied with effect from the date on which such change in circumstances occurred.
- iii. Where a Tenant fails to submit details of household income and family composition, as part of the annual rent review or in response to a request by the local authority to do so, the local authority may increase the weekly rent by €10 and the weekly rent may be further increased by €10 for every subsequent week that the requested household income and family composition details remain outstanding.

##### **(d) Fixed Rents**

Fixed rents shall apply in the case of Demountable Dwellings and Caravans at a rate of €30 per week and at a rate of €40 per week for Halting Bay Sites.

##### **(e) Rounding Up and Down**

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

## Appendix 1

**Reckonable Household Income includes the following:**

- (a) income from employment as an employee and from self-employment (including benefit-in-kind and directorships);
- (b) social protection payments;
- (c) payments by Government Departments or State agencies;
- (d) rental and other income from land or property;
- (e) income from pensions;
- (f) income from savings, deposit accounts and investments; and
- (g) Where a tenant is receiving maintenance on foot of a court order or legally binding agreement or under a formal or informal arrangement such income must be declared and will be counted as assessable income.

## **Appendix 2**

### **Income Disregards**

#### **A. Payments by the Department of Social Protection in respect of-**

- (i) child benefit
- (ii) guardian's payment
- (iii) exceptional needs payments
- (iv) domiciliary care allowance
- (v) dietary allowance
- (vi) rent and mortgage interest supplements
- (vii) fuel scheme payments
- (viii) living alone allowance
- (ix) over 80's allowance
- (x) household benefits package
- (xi) back to school clothing and footwear allowance

#### **B. That amount in excess of the reference rate (basic social welfare rate) of payments made by the Department of Social Protection in respect of-**

- (i) carer's allowance
- (ii) national internship scheme
- (iii) tus scheme
- (iv) rural social scheme
- (v) community employment scheme
- (vi) Youth reach training allowance
- (vii) gateway local authority labour activation scheme
- (viii) back to education allowance
- (ix) vocational & educational training schemes provided by State

#### **C. Payments by the Health Service Executive in respect of-**

- (i) foster care allowance
- (ii) blind welfare allowance
- (iii) mobility allowance

- (iv) home care package
- (v) boarding-out payments
- (vi) Personalised Funding grant aided under an Individualised Service Arrangement

D. Payments by the Department of Education and Skills or under schemes funded by that Department in respect of:

- (i) student grants,
- (ii) home tuition scheme

E. The following miscellaneous payments-

- (i) payments by charitable organisations, being bodies the activities of which are carried on otherwise than for profit (but excluding any public or local authority} and one of the functions of which is to assist persons in need by making grants of money to them,
- (ii) payments made in another EU Member State that correspond to child benefit
- (iii) payments received as a training allowance while undergoing a course of rehabilitation training by an organisation approved by the Minister for Health, and
- (iv) scholarships in respect of attending approved courses provided by approved institutions, within the meaning of sections 8 and 7 of the Student Support Act 2011, as amended
- (v) Where a tenant is paying maintenance on foot of a court order or legally binding agreement and produces proof of such payment on an annual basis, or as requested, that element of net income will be disregarded

### **Appendix 3**

#### **Housing Rents Scheme, Hardship Clause Policy in dealing with applications for a reduction in the weekly differential rent**

The county wide differential rent scheme is prepared by Mayo County Council, under the authority vested in it by Section 58 of the Housing Act, 1966 and Section 31 of the Housing (Misc Provisions) Act 2009 as amended and having regard to Article 64 of the Housing Regulations 1980 and Circular Letter HRT 3/2002 dated 6<sup>th</sup> March 2002 from the Department of Environment.

Rents of local authority houses are calculated in accordance with this Scheme, as a proportion of the assessable principal household income, together with a contribution from any subsidiary earners in the household. Certain Incomes from a number of sources are disregarded for the purposes of calculation of rents. eg: children's allowance, fuel scheme payments, living alone allowance etc.

The rent scheme allows for a minimum rent of €30.

The rent scheme allows that the Council may agree to accept a lesser sum of weekly rent from a tenant for a specified period in exceptional circumstances where payment of a rent calculated under the Rent Scheme would, in the opinion of the Council, give rise to hardship.

#### **If a tenant cannot afford the weekly rent:**

- a. A tenant may apply to have the rent recalculated if the household income changes. A tenant should request a new Rent Assessment Form and submit income details to facilitate a rent review.
- b. If there is no change in circumstances but a tenant feels that he/she cannot afford to pay the rent - in cases of exceptional need they may be considered for a reduced rent for a period of time.
- c. The Council will assess each application on its merits and on the basis of the individual tenant/family circumstances.

#### **How to apply for consideration for a reduction in weekly rent under the Hardship Clause of the Rents Scheme -**

1. The case for consideration under the Mayo County Council's Rents Scheme dealing with hardship, must be made on the prescribed form and forwarded to the local Housing Office for consideration.

2. The completed form should be accompanied by supporting documentary evidence of the exceptional needs of the tenant/family eg:
  - Where medical expenses are expended by the tenant(s), that are not covered by a medical card or where financial assistance was not provided by another means/scheme, proof of medical expenses expended must be provided
  - Details of exceptional transport / parking costs incurred to avail of medical services
  - Exceptional transport costs to and from work
  - Proof of exceptionally low income in the case of the Self-Employed
  - Any other information supporting an application.
3. On receipt of the completed Hardship Application form and supporting documentation, the Council will consider the application and a decision will be made.
4. The local Housing Office will notify the tenant, in writing, of the outcome of the hardship application. If approved, the reduced rent will remain subject to review.
5. No rent reduction granted will result in a tenant paying less than the county wide minimum rent of €30 per week.
6. In the event of a tenant not being satisfied with the decision on their application an appeal can be made to the most senior line manager in the relevant office

***If a tenant is experiencing financial difficulties it is advisable that they contact the Money Advice and Budgeting Service (MABS) for budgetary advice.***

***Completed applications should be forwarded to your local Housing Office***

I hereby approve the above scheme on behalf of Mayo County Council.

Signed this 7th Day of November, 2017

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Paul Benson, Head of Housing.