

## Appendix 1 - Proposals

### **Council Tax support Scheme 2017/18**

#### Proposal 1          Family Premium

- To remove family premium from 1st April 2017 for new claims.

The family premium is part of how Applicable Amounts (needs) of any claimant is assessed. Applicable amounts are compared to income in order to calculate benefit. Family Premium is normally given when a claimant has at least one dependant child living with them.

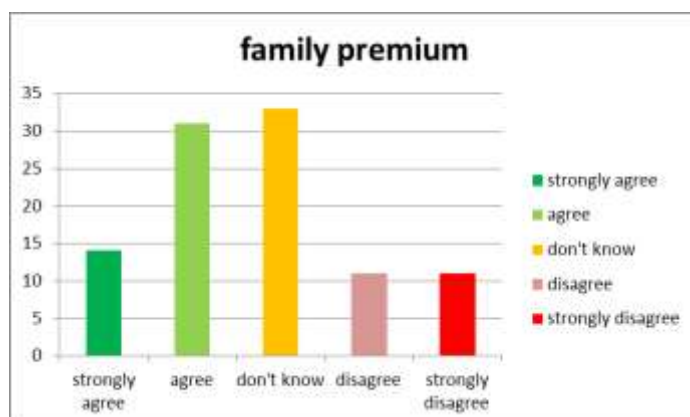
Removing the family premium will mean that a claimant's needs is assessed it would not include the family premium (currently £17.45 per week). This in turn translates to a reduction in Council Tax support of £3.47 per week.

This change would not affect those on passported benefits. These are Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance. Claimants on any of these benefits would retain the current level of entitlement.

New working age residents, not on a passported benefit would see a reduction in the amount of support they receive.

It should be noted that this proposal is intended to apply to new claims only. Existing claims would not be affected.

In consultation 45% of respondents agreed or strongly agreed with the proposal, 33% did not know and 22% disagreed or strongly disagreed.



## Proposal 2 Backdating

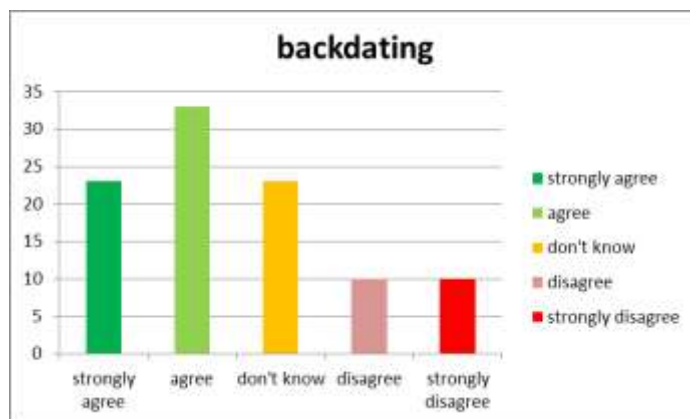
- To limit the period that CTS claims can be backdated.

It should be noted that any delay in processing a claim is not backdating. Claimants are also allowed time to provide evidence to support their claim. A backdated claim occurs when at first contact, the claimant wishes to claim for an earlier period.

Currently claims for Council Tax Scheme from working age claimants can be backdated for up to six months where an applicant can demonstrate continuous good cause for not having claimed earlier. It is proposed to reduce this period to one month in line with Housing Benefit claims

New working age claimants may see a reduction in the amount of support they receive if they are unable to claim on time. It should be noted that claims are not routinely backdated. An example of 'good cause' is a customer being too ill to have claimed; being unaware of potential entitlement is not.

In consultation 56% of respondents agreed or strongly agreed with the proposal, 23% did not know and 22% disagreed or strongly disagreed.



No data is held regarding the number of backdating appeals received in any year.

## Proposal 3 Absence from Great Britain

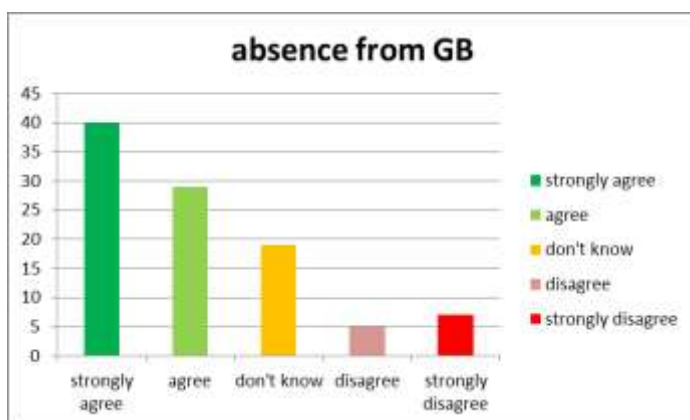
- To limit the amount of time a customer can be absent from Great Britain, without it affecting entitlement to CTS, to four weeks

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Support. This replicated the previous rules within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than four weeks, their benefit will cease. It is proposed that the Council's Council Tax Support Scheme is similarly amended. There would be exceptions for certain occupations such as the armed forces or for persons who have left their home through fear of violence.

A full list of exceptions for Housing Benefit, which will be reflected in the CTS scheme are included in HB circular HB A7/2016 and can be found at the following link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/539232/a7-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539232/a7-2016.pdf)

In consultation 69% of respondents agreed or strongly agreed with the proposal, 19% did not know and 12% disagreed or strongly disagreed.



No data is held on the number of claimants who are currently absent from Great Britain for more than 4 weeks, but less than 52 weeks, since there is currently no effect on claims. No cases have come to light in respect of Housing Benefit since 28<sup>th</sup> July 2016 when this change was adopted into the HB regulations.

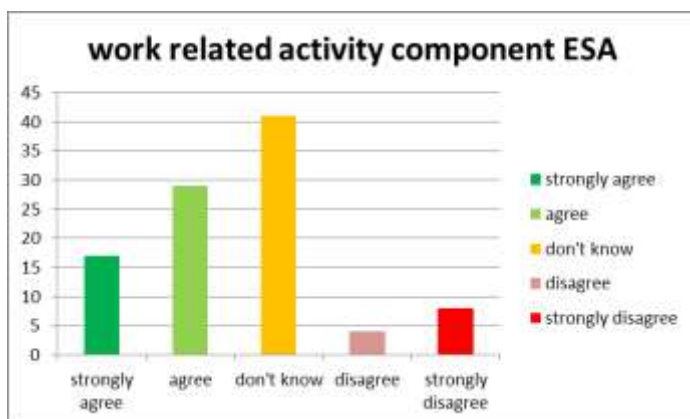
## Proposal 4 Support for Work Related Activity

- To adjust the CTS calculation to reflect changes in Employment and Support Allowance (ESA)

From April 2017, all new applicants of (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council's Council Tax Support Scheme is amended to reflect the changes.

This is a cut in the DWP benefit, ESA. If the Council's CTS scheme is not amended, the calculation will still be made as though customers claiming ESA are receiving the work related activity component. Persons affected will not experience any reduction in Council Tax Support. However if this change is not made, in some cases where there is work related ESA and additional income, then entitlement to CTS, funded by the Council, would increase in order to compensate for the loss of the work related activity component.

In consultation 46% of respondents agreed or strongly agreed with the proposal, 41% did not know and 12% disagreed or strongly disagreed.



## Proposal 5 Dependent Children

- To limit the number of dependent children within the calculation for CTS to a maximum of two.

N.B. This proposal will only be adopted if it is also included in the Housing Benefit regulations for 2017/18. This is currently expected to be the case but the Government has not yet passed the relevant legislation.

This will affect new claimants, or claimants who have a third child after 1<sup>st</sup> April 2017.

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017.

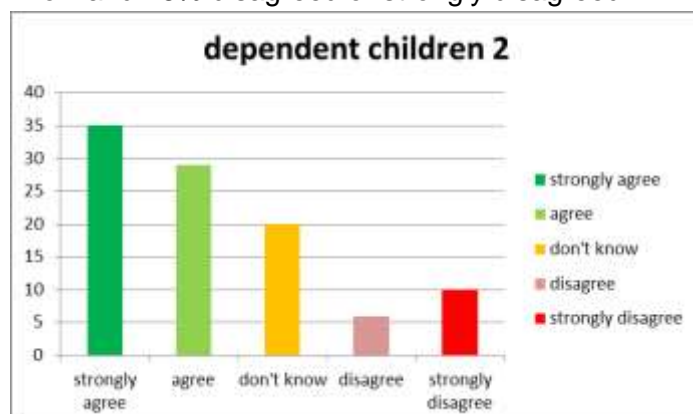
It is proposed that the Council's Council Tax Support Scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children or where households merge.

Claimants who have a third or subsequent child after 1st April 2017 (and are not excepted from the rules) may receive less Council Tax Support than claimants who have more children born before 1st April 2017.

In the last year, 32 new dependent children have been born in households claiming CTS and where there were already at least two dependent children. No family will have a cut in CTS as a result of this measure, but after April 2017 CTS will not increase with the birth of a third child.

Those customers already in receipt of the full 80% CTS (typically those on passported benefits) would be unaffected, since they could not receive any more CTs in any event.

In consultation 64% of respondents agreed or strongly agreed with the proposal, 20% did not know and 16% disagreed or strongly disagreed.



## Proposal 6. Severe Disability Premium

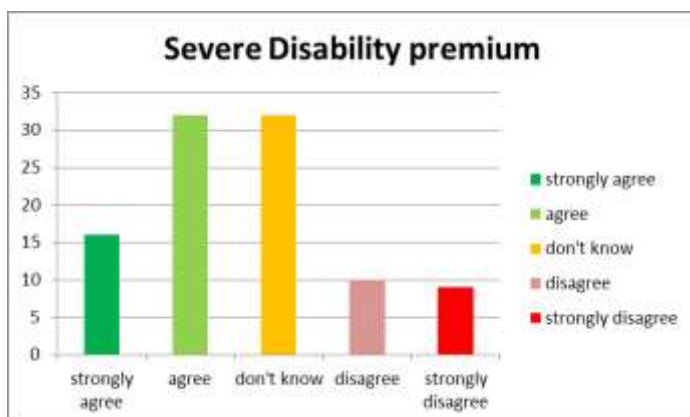
- To ignore severe disability premium when working out a customer's needs if another party is paid carers allowance through universal credit to meet those needs

Currently when another person is paid Carers Allowance to look after a Council Tax Support claimant, then the Severe Disability Premium is not included when working out their applicable amounts (needs). The underlying principle is this is effectively to pay for the same care twice.

This proposed change would align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance. This provision is not currently part of the CTS scheme.

Persons receiving Universal Credit (Carers Element) would be treated in the same way as those receiving Carers Allowance who look after any person who claims Council Tax Support.

In consultation 48% of respondents agreed or strongly agreed with the proposal, 32% did not know and 19% disagreed or strongly disagreed.



## 7 Self Employed Income

- To adopt a notional income for self-employed customers after one year of self-employment.

The Council also proposes to adapt the scheme in order to allow for the use of a notional minimum level of income (minimum income floor) for those who are self-employed. This would be up to the National Living Wage for 35 hours worked per week. Any income above this amount would be taken into account based on the actual amount earned. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self-employed.

Each case would be assessed in order to verify income in the normal way. It is not intended that there would be a blanket application of this principle. For example a customer who subsidises part time employment through internet sales of craft based items would be assessed on actual income. However in the case of a customer who is self-employed, full time, for more than one year, but claims support on the basis of minimal income, the option to use a notional income in any assessment would be adopted.

As an indication, there are currently 237 claimants declaring income from self-employment. Of these, 38 have self-employed income of less than £10.00 per week, with a further 63 with income of £10.00 - £100.00 per week.

Claimants would retain the right of appeal, initially to the benefits department and ultimately through the Valuation Tribunal Service, in the normal way.

In consultation 50% of respondents agreed or strongly agreed with the proposal, 33% did not know and 18% disagreed or strongly disagreed

