

## APPENDIX 1

### Proposed changes to Council Tax Support Scheme 2017/18

The proposed working-age Council Tax Support Scheme from 1<sup>st</sup> April 2017 will be the 2016/17 scheme but including eight changes, outlined below.

The full details of our current scheme can be found on our website [www.middevon.gov.uk](http://www.middevon.gov.uk)

#### **PROPOSAL 1. Removing the Family Premium for all new working age applicants**

***This will change Schedule 1 paragraph 3.***

The removal of Family Premium from 1st April 2017 for new claims will bring our Council Tax Support scheme in line with Housing Benefit.

The Family Premium is part of how we assess the 'needs' (Applicable Amounts) of any claimant which is compared with their income. Family Premium is normally given when a claimant has at least one dependant child living with them.

Removing the Family Premium will mean that when we assess a claimant's needs we would not include the family premium (currently £17.45 per week). This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

#### **PROPOSAL 2. Reducing Backdating to 1 month**

***This will change section 69.9***

Currently claims for Council Tax Support from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time.

Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that the Council's Council Tax Support Scheme be aligned with the changes for Housing Benefit.

#### **PROPOSAL 3. Introducing a minimum income floor for the self employed after a 12 month start up period.**

***This will change section 20.***

In order to align Council Tax Support with Universal Credit, the Council proposes to use a minimum level of income (minimum income floor) for those who are self-employed.

This would be in line with the National Living Wage (or National Minimum wage for under 25's) for 35 hours worked per week. 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.

**PROPOSAL 4. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks**  
***This will change section 8.***

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 rule within Housing Benefit.

Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease.

It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces.

**PROPOSAL 5. Removing the Work Related Activity Component in the calculation of the entitlement for new Employment and Support Allowance applicants**  
***This will change Schedule 1 paragraphs 17-18.***

From April 2017, all new applicants for Employment and Support Allowance (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 Tax Support scheme is amended to reflect the changes.

**PROPOSAL 6. Limiting the number of dependant children within the calculation for Council Tax Support to a maximum of two**  
***This will change Schedule 1 paragraph 2.***

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 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, where households merge or where a child is born as a result of rape.

**PROPOSAL 7. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them**  
***This will change Schedule 1 paragraph 10.***

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 needs (Applicable Amounts). The reason for this is that it avoids paying for the same care twice.

This proposed change will 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.

**PROPOSAL 8. Removing entitlement to the additional earnings disregard for Universal Credit customers in work**

***This will change Schedule 3 paragraph 16.***

Currently an additional amount of earnings can be disregarded if a customer is working sufficient hours. This additional disregard doesn't apply in Universal Credit.

This proposal removes the additional disregard from Council Tax Support for working customers who receive Universal Credit. The standard earnings disregard will still apply.