

North East Lincolnshire Council Tax Support Proposed Scheme Outline

1. Introduction

At Spending Review 2010 the Government announced that it would localise support for council tax from 2013-14, reducing expenditure by 10 per cent. The Welfare Reform Act 2012 provides for the abolition of council tax benefit, paving the way for new localised council tax reduction schemes. Within North East Lincolnshire the cost of Council Tax Benefit is in excess of £15m each year. To meet Government requirements, a reduction of £1.6m in the total annual cost must be implemented from April 2013.

In April 2013, Council Tax Benefit, the current means of helping people on low incomes meet their Council Tax obligations, will be replaced by a new localised support scheme defined by each Council.

The Government has stated that pensioners will be protected from any changes to their level of entitlement under the local schemes. The government has provided guidance that Councils may wish to additionally protect certain vulnerable groups from the impact of the reduction, these being;

- Disability Discrimination Act – remove or minimise disadvantages suffered by people in order to meet differing needs
- Local child poverty indicators of affected families
- Homeless, either moving into new tenancies, or at threat of homelessness
- In work claimants, work must be evidenced to pay

Working age claimants not being the subject of any Government direction, shall however be subject to the provisions of the locally defined scheme.

This document sets out the Council's proposed scheme and should be read in conjunction with the consultation questionnaire seeking comments and views on the proposed arrangements.

The proposals may be subject to change for the following reasons;

- in response to findings from the consultation process
- any statutory provisions made that take precedence over the scheme proposals
- changes in caseload profile may lead to a reduction or increase in the level of support which can be made available

The final scheme shall be subject to approval by the Council no later than 31st January 2013.

North East Lincolnshire Council Tax Support Proposed Scheme Outline

The Council is required to publish details of its proposed draft scheme and some of the contents of this document are by its very nature, technical in detail. However every effort has been made to present the information in Plain English.

2. North East Lincolnshire Council Tax Support Scheme Key Principles

In developing the proposed scheme a number of key principles have been taken into account:

- a) That eligibility for the Local Council Tax Support Scheme will be the same as for the current Council Tax Benefit (based on specified income and savings levels)
- b) That the scheme will provide mandatory protection for eligible pensioners
- c) That council tax support will be limited to the reduced level of funding provided by government, and not subsidised by reducing services or increasing council tax
- d) That the council is committed to protecting the disabled and families with children under five
- e) That the scheme provides an incentive to work for working age claimants
- f) That some provision is made to offer financial support on an exceptional basis for those who face unavoidable financial difficulties, through a Council Tax Support Fund

3. North East Lincolnshire Council Tax Support Scheme

Under the proposal there will be three distinct claimant groups;

- those who have reached Pension Age
- those who are Working Age where;
 - the claimant, partner or dependant is in receipt of Disability premium, enhanced disability premium, disabled earnings disregard, Disability Living Allowance or Personal Independence Payment, or where there is a child under 5 in the household
- those who are Working Age

This document will outline the impact of the localised Council Tax Support scheme on each of these groups.

Pension Age Claimants

For Pension Age claimants there will be a number of qualifying criteria which will determine the level of support the claimant is entitled to. As per

North East Lincolnshire Council Tax Support Proposed Scheme Outline

Government intention, a Pension Age claimant must see no reduction in the percentage level of support they received under Council Tax Benefit.

The level of support to which a claimant is entitled will be based on their individual circumstances, both at the time of claiming and as their circumstances change over time.

In order to calculate the level of support which a claimant is entitled to, the means test currently defined within the Council Tax Benefit regulations will be applied.

Qualifying Criteria

The individual must:

- have attained the qualifying age for state pension credit
- not be someone with a partner of working age in receipt of;
 - Income Support
 - income based Job Seekers Allowance
 - income based Employment and Support Allowance
- be liable to pay Council Tax for a property within the North East Lincolnshire boundary
- not have capital savings above £16,000
- have applied for the scheme
- have income which is less than their applicable amount (see Appendix A) or
- have income over their applicable amount which will be reduced at a prescribed percentage (20%) when calculating the level of support to which they are entitled or

Under the localised Support Scheme the following process will be followed;

1. a claimants entitlement to support will be calculated using existing Council Tax Benefit regulations
2. the level of support to which the claimant is entitled will be deducted from their Council Tax liability
3. for the balance of Council tax liability for the remainder of the claim period or financial year, a Council Tax bill will be generated and

North East Lincolnshire Council Tax Support Proposed Scheme Outline

arrangements to pay made with the customer, if their entitlement to Council Tax Support does not cover the entire liability

Claim Process

For Pension Age claimants already in receipt of Council Tax Benefit, they will automatically transfer over to receiving Council Tax Support. For new claimants after 01 April 2013, a simplified claim form will be provided to enable eligibility for support to be established. Any changes in household or financial circumstances must be reported .

In Summary

Pension Age claimants will;

- have their Council Tax Support entitlement calculated using existing Council Tax Benefit regulations
- have entitlement to Council Tax Support automatically calculated and implemented if they are in receipt of Council Tax Benefit prior to 01/04/13
- have a simplified claim process
- receive the same level of financial support under the localised Council Tax Support scheme as they did under Council Tax Benefit

Working Age Claimants With Protection

The level of support to which a claimant is entitled will be based on their individual circumstances, both at the time of claiming and as their circumstances change over time.

In order to calculate the level of support which a claimant is entitled to, the means test currently defined within the Council Tax Benefit regulations will be applied.

Qualifying Criteria

The individual must:

- not yet have attained the qualifying age for state pension
- be a person whose partner has not yet attained the qualifying age for state pension, except where the applicant is in receipt of
 - Income Support
 - income based Job Seekers Allowance

North East Lincolnshire Council Tax Support Proposed Scheme Outline

- income based Employment and Support Allowance
- be liable to pay Council Tax for a property within the North East Lincolnshire boundary
- not have capital savings above £16,000
- have applied for the scheme
- have income which is less than their applicable amount (see Appendix A)or
- have income over their applicable amount which will be reduced at a prescribed percentage (20%) when calculating the level of support to which they are entitled
- have a child under 5 in the household
- the claimant, partner or dependant must be in receipt of Disability premium, enhanced disability premium, disabled earnings disregard, Disability Living Allowance or Personal Independence Payment

An individual in receipt of income support, income related jobseekers allowance or income related employment and support allowance will have income and earnings counted as zero for the purpose of calculating their entitlement to support.

Under the localised Support Scheme the following process will be followed;

1. a claimants entitlement to support will be calculated using existing Council Tax Benefit regulations
2. when this calculation has been completed a maximum entitlement of 100% will be allowed under the localised scheme
3. once the level of award is calculated, it will be subject to further adjustment to take into account any non dependant adults that normally reside in the property who would be expected to contribute to Council Tax
4. for the balance of Council Tax liability for the remainder of the claim period or financial year, a Council tax bill will be generated and arrangements to pay made with the customer

Claim Process

For Working Age claimants already in receipt of Council Tax Benefit, they will automatically transfer over to receiving Council Tax Support on 01/04/13 at

North East Lincolnshire Council Tax Support Proposed Scheme Outline

the new level of entitlement. For new claimants after 01 April 2013, a claim form will be provided to enable eligibility for support to be established.

In Summary

Working Age claimants will;

- have their Council Tax Support entitlement calculated using existing Council Tax Benefit regulations
- have entitlement to Council Tax Support automatically calculated and implemented if they are in receipt of Council Tax Benefit prior to 01/04/13
- receive the same level of financial support under the localised Council Tax Support scheme as they did under Council Tax Benefit

Working Age Claimants Without Protection

The level of support to which a claimant is entitled will be based on their individual circumstances, both at the time of claiming and as their circumstances change over time.

In order to calculate the level of support which a claimant is entitled to, the means test currently defined within the Council Tax Benefit regulations will be applied.

Qualifying Criteria

The individual must:

- not yet have attained the qualifying age for state pension
- be a person whose partner has not yet attained the qualifying age for state pension, except where the applicant is in receipt of
 - Income Support
 - income based Job Seekers Allowance
 - income based Employment and Support Allowance
- be liable to pay Council Tax for a property within the North East Lincolnshire boundary
- not have capital savings above £16,000
- have applied for the scheme

North East Lincolnshire Council Tax Support Proposed Scheme Outline

- have income which is less than their applicable amount (see Appendix A) or
- have income over their applicable amount which will be reduced at a prescribed percentage (20%) when calculating the level of support to which they are entitled

An individual in receipt of income support, income related jobseekers allowance or income related employment and support allowance will have income and earnings counted as zero for the purpose of calculating their entitlement to support.

Under the localised Support Scheme the following process will be followed;

1. a claimants entitlement to support will be calculated using existing Council tax Benefit regulations
2. when this calculation has been completed a maximum entitlement, depending on the estimated level of funding available when the local scheme is approved, but currently estimated at 76% will be allowed under the localised scheme
3. once the level of award is calculated, it will be subject to further adjustment to take into account any non dependant adults that normally reside in the property who would be expected to contribute to Council Tax
4. for the balance of Council Tax liability for the remainder of the claim period or financial year, a Council Tax bill will be generated and arrangements to pay made with the customer

Claim Process

For Working Age claimants already in receipt of Council Tax Benefit, they will automatically transfer over to receiving Council Tax Support on 01/04/13 at the new level of entitlement. For new claimants after 01 April 2013, a claim form will be provided to enable eligibility for support to be established.

In Summary

Working Age claimants will;

- have their Council Tax Support entitlement calculated using existing Council Tax Benefit regulations
- have entitlement to Council Tax Support automatically calculated and implemented if they are in receipt of Council Tax Benefit prior to 01/04/13

North East Lincolnshire Council Tax Support Proposed Scheme Outline

- be entitled to 76% of the level of support which they would be entitled to under the current Council Tax Benefit regulations

4. Prescribed Requirements

The government's prescribed requirements will ensure that local Council Tax Support (CTS) schemes operated by Local Authorities contain any requirements prescribed by the Secretary of State. Currently, the following requirements are to be prescribed by the Secretary of State and will therefore apply to the Council's local CTS scheme and affect both working age and non-working age claims alike.

Persons from Abroad

The government intends to apply the same restrictions as exist under the Council Tax Benefit to exclude foreign nationals with limited immigration status and non-economically active EEA individuals who are not exercising EU treaty rights from receiving Council Tax reductions.

Refugees

Those persons that have recognised refugee status, humanitarian protection, discretionary leave or exceptional leave to remain in the country outside of the immigration rules and who are exempt from the habitual residence test will be entitled to apply for Council Tax Support as long as their status has not been revoked.

Permitting a person to act for another person

Current arrangements for a person to act on behalf of another will continue. For example, where a person has been granted a power of attorney for a Council Tax Payer or in cases where a couple wishes to make an application.

5. Council Tax Support Fund

A Council Tax Support Fund is also proposed to help those who face exceptional financial difficulties. The award would give extra support to those experiencing difficulties in paying their Council Tax bill. Payments would be awarded for a limited period, up to 26 weeks

The essential test is one of extreme hardship, comparing the customer's income and savings with their outgoings; but support would only be for Council Tax liability costs. The proposal is that a support fund equivalent to 10% of the necessary reduction is put in place, this is £160k.

North East Lincolnshire Council Tax Support Proposed Scheme Outline

6. North East Lincolnshire Council Tax Support Scheme Summary

The proposed scheme in North East Lincolnshire is;

- existing Council Tax Benefit regulations will apply when calculating the level of support which a claimant is entitled
- if the claimant is of Pension Age they will receive the full level of support they are entitled to using the existing regulations
- if a claimant fulfils the criteria for Working Age With Protection they will receive the full level of support they are entitled to using the existing regulations
- if the claimant is of Working Age they will receive the maximum support available within the reduced funding envelope, currently estimated at 76% of the entitlement as calculated using the existing regulations
- entitlement to support will be deducted from Council Tax liability and a bill will be generated for any remaining balance which must be paid by the claimant
- a support fund is put in place to help claimants who will face exceptional financial difficulties due to the introduction of the localised Council Tax Support scheme

North East Lincolnshire Council Tax Support Proposed Scheme Outline

Appendix A

Applicable Amounts

Applicable amounts start with a personal allowance, this is the minimum level of weekly income that the Government says you need to live on. It is based on your age and if you are single or part of a couple.

Working Age

- Single and under 25: £56.25
- Single and 25 or over: £71.00
- Couple and both under 18: £84.95
- Couple with at least one member 18 or over: £111.45

(for lone parents the under 25 rate only applies to under 18s)

Pension Age

- Single and under 65: £142.70
- Single and 65 or over: £161.25
- Couple both under 65: £217.90
- Couple with at least one member 65 or over: £241.65

Please note: You may also be entitled to additional premiums on top of your personal allowance, if you are responsible for a child, have a disability or are in receipt of ESA

**North East Lincolnshire Council Tax Support
Proposed Scheme Outline**