

Council Tax Reduction Questionnaire FAQ's

Q. Why are only Working Age customers affected by the changes to the Council Tax Reduction Scheme?

A. A separate scheme exists for Pensioners which is determined by the Government. The Working Age Scheme is determined locally and each year the Council is required to review its scheme before the start of the new financial year.

Q. Why are you proposing to introduce an income grid system?

A. The income grid system is designed to make it easier for customers to see what Council Tax Reduction they would be entitled to as you can plot yourself on the table according to your income. It is also designed to be less reactive to small changes income. Under the current scheme any change in your income changes the award making it difficult for you to budget, the income grid should help alleviate this.

Q. Why are you proposing to limit the support you offer to families to two children?

A. Within the current scheme, customers who have children are awarded a dependent's addition within the calculation of their needs. From April 2017 the Government limited additions for children to 2 for Universal Credit, Housing Benefit and Tax Credits this recommendation brings Council Tax Reduction into line.

Q. Why are you proposing no deduction for non- dependents living in my household?

A. Currently where a customer has other adults living in the household a reduction can be made depending upon the income of that person. Deductions currently range from £0.00 to £12.45. In theory you should look to recoup this deduction from those adults. It is proposed to remove non-dependent deductions from the scheme. It will make the scheme easier to administer and customers will not be penalised for having additional adults living with them.

Q. Why is the housing element of Universal Credit not counted as income?

A. The housing element of Universal Credit is to pay your rent. Under the Council Tax Reduction scheme, Housing Benefit was not taken into account as income, so it remains that any element of benefit awarded to pay your rent, whether that be housing benefit or the housing element of Universal Credit, will not be counted as income

Q. What do you mean by a £25.00 earnings disregard?

A. Currently where customers (or their partner if they have one) have earnings and work over 16 hours per week, an earnings disregard is applied - the standard disregards are £10.00 for a single person, £15.00 for a couple £30.00 for a lone parent and where certain conditions such as disablement apply £25.00 or part time special employment £20.00 per week. In some circumstances

an additional disregard of £17.10 may be applied. It is proposed to introduce a standard single disregard of £25.00 for every customer. This option makes the administration of the scheme simpler. Tax and national insurance and 50% of your pension will be deducted from your gross earnings followed by an additional disregard of £25.00 per week

Q. Why are you proposing to reduce the capital limit to £6,000?

A. It will make administration of the scheme easier as there will be no requirement to calculate a “tariff income” or assumed income from capital, however it does mean that some people will no longer qualify for Council Tax Reduction.

Q. Why are you proposing to remove the extended payment provision?

A. In certain cases, where customers are in receipt of a prescribed benefit such as Income Support, Job Seekers or Employment Support Allowance and move into work which ends their entitlement they can be paid an additional 4 weeks Council tax Support after commencing work. These provisions do not exist for Universal Credit customers and as Universal Credit is to replace those existing benefits it is proposed that this provision is no longer appropriate.

Q. Why are you proposing to make any changes in circumstances from the date on which it occurred?

A. Currently a change in circumstances which affects Council Tax Reduction is administered from the Monday following the date of the change. It is proposed that as Council Tax is a daily charge that any changes to Council Tax Reduction should be made daily. This will bring it in line with the way that Council Tax is charged and operated making the scheme simpler.

Q. I am in receipt of Job Seekers Allowance (income based) will I receive the same level of support as I do now?

A. It is recommended that customers in receipt of Job Seekers Allowance (income based), Income Support, Employment Support Allowance (income based) will be placed in the lowest income band and will receive 100% discount.

Q. I will receive less help towards my Council Tax in the proposed scheme and will have difficulties paying the difference. What other help is available to me?

A. Where a person is struggling to pay their Council Tax we will consider an application for an exceptional hardship payment. Each application will be looked at on an individual basis taking into account available income and essential outgoings and where appropriate further support will be given.