

## **Council Tax Support Consultation**

### **Introduction**

The former national Council Tax Benefit Scheme was abolished on 31 March 2013 and replaced with a new system of localised council tax support. This requires each billing authority to design and implement its own scheme for awarding council tax discounts to working age customers on low incomes, while accommodating a 10% reduction in government funding.

The basis of our current scheme was approved by council on 14 December 2017. The changes that were agreed that took effect from 1 April 2018 were:

- Make changes to our current scheme to align with housing benefit changes:
  - Removal of the family premium
  - Applying the two child limitation
  - Restricting backdating to a maximum of one month
  - Bereavement support payments and payments from either the 'We Love Manchester Fund' or the 'London Emergency Trust' to be disregarded in full
  - Absence from home to be limited to four weeks when outside GB
  - Beneficial changes to be reported within one month of date of change
- Apply a minimum award of £1.50
- Introduce a de minimus amount of £10 per week for claimants in receipt of universal credit
- Apply a minimum 20% payment in council tax support

Take a look at the **report considered by council, including a summary of the scheme.**

In order to ensure that the most vulnerable groups in society are protected it was agreed that the following would be exempt from the 20% minimum payment:

- Claimants in receipt of severe disability premium
- Claimants in receipt of the support component of employment and support allowance
- Claimants in receipt of war pension

### **Changes to our council tax support scheme with effect from 1 April 2019**

We went live with universal credit full service in May 2018. The severe disability premium doesn't exist in universal credit. Employment and support allowance doesn't form part of universal credit. This means that claimants who have moved into universal credit who would otherwise have been exempt from the 20% minimum payment won't be exempt.

In order to ensure that affected claimants who have moved into universal credit retain the exemption from the 20% minimum payment it was agreed that:

- Claimants or couples who have moved into universal credit but meet the qualifying criteria for the severe disablement premium will be exempt from the 20% minimum payment
- Claimants or partners in receipt of the limited capability for work-related activity element in universal credit (that's the equivalent to the support element of employment and support allowance) will be exempt from the 20% minimum payment

### **Proposed changes to our council tax support scheme with effect from 1 April 2020**

With effect from 1 April 2020 we're proposing that our council tax support scheme is amended as follows.

- We've defined a council tax reversal as an amount of council tax support to which the claimant wasn't entitled, and we've clarified what action the council will take depending on whether the reversal is caused by claimant error or official error.
- We've clarified that where a reversal is due to claimant error the total sum of the reversal shall be fully chargeable and recoverable as part of the claimant's council tax liability
- We've clarified that where the reversal arose due to official error, that where the claimant or their representative could reasonably have been expected at the time to realise that the assessment had been made in error, the total sum of the reversal shall be fully chargeable and recoverable as part of the claimant's council tax liability. Otherwise, the amount of the reversal won't be chargeable and recoverable as part of the claimant's council tax liability
- In the event of a council tax reversal, we'll consider any underlying award that the claimant should have been entitled to provided evidence is received from the claimant within one month of the claimant being notified of the reversal, or where an appeal against a recoverable reversal is made
- We've clarified the definition of 'pensioner' in accordance with new benefit rules for mixed age couples and eligibility for local council tax reduction schemes
- Any payment made by the Home Office under the Windrush Compensation Scheme or the Windrush Exceptional Payment Scheme will be disregarded as capital

There is no expected cost or saving as a result of this amendments.

**You can comment on these proposals by emailing [benefits@shropshire.gov.uk](mailto:benefits@shropshire.gov.uk)**