

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

7 NOVEMBER 2012

REPORT OF THE BENEFITS AND REVENUES PORTFOLIO HOLDER

A.2 The Local Council Tax Support Scheme

(Report prepared by Harry Bates and Keith Jacobs)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to consider and agree the proposed Local Council Tax Support Scheme for Tendering for recommendation to full Council.

EXECUTIVE SUMMARY

This report outlines the proposed Local Council Tax Support (LCTS) scheme to replace Council Tax Benefit with effect 1 April 2013.

As part of the major changes to the Welfare Benefits system, from 31 March 2013 Council Tax Benefit will end and be replaced by a new scheme called Local Council Tax Support (LCTS). The Government has decided to protect pensioners (persons who are of an age where they can claim pension credit) therefore; pensioners who currently receive Council Tax Benefit will receive the same help they are currently entitled to. The Government has also been clear that in developing a local scheme, Councils should be mindful of their duties to vulnerable groups.

The funding for Council Tax Support will be reduced under the new scheme to 90% of what was available as Council Tax Benefit Subsidy with an assumption of fewer claimants.

The pan Essex LCTS project group comprising of all the billing authorities and the unitary authorities in Essex was created in January 2012 to devise a modular type model upon which all authorities could base their local schemes according to local needs. The precepting authorities of Essex County Council, Fire and Police have been involved from the beginning of this project.

The project is managed by the benefits managers under guidance from the Essex Finance Officers Association (EFOA).

English authorities must adopt a new local scheme before 31st January 2013 otherwise the Government's prescribed default scheme will take effect. The default scheme reflects the existing council tax benefit scheme and, as such, would not deliver the 10% funding reduction meaning that this would have to be met from the council's own resources or from an increase in council tax. A 1% rise in council tax equates to around £76,000 and the council is also subject to limits on the amount by which the council tax can be increased before a Local Referendum would be triggered.

The stages of development of the scheme include consultation with the public and the Corporate Management Committee. Although subject to confirmation of grant funding, the scheme seeks to provide for a cost neutral position with the introduction of a number of changes to existing arrangements.

RECOMMENDATION

- a) That Cabinet reviews and determines a response to the comments from the Corporate Management Committee.
- b) That subject to a) above, Cabinet agrees the proposed LCTS scheme set out as Appendix B and recommends to full Council:
 - i) that the LCTS set out as Appendix B be approved
 - ii) that subject to b)i) above, delegation be given to the Head of Resource Management in consultation with the Benefits and Revenues Portfolio Holder to undertake the necessary steps and actions to implement the new LCTS Scheme from 1 April 2013.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

In developing a local scheme the Council must be mindful of their duties to vulnerable groups, as well as achieving a cost-neutral scheme.

FINANCE, OTHER RESOURCES AND RISK

The existing national scheme for Council Tax Benefit is fully funded by the Government, but LCTS funding will be reduced by 10% of what the anticipated benefit cost would have been in 2013/14 as calculated by the Government. However, because the Government's figures include an assumption on a reduction in liability, modelling indicates that the required funding reduction for Tendring will be closer to **15-16%**. This equates to a reduction in council tax support of around **£2.0m**.

The Government will provide Council Tax Support Grant to meet the cost of providing support. Indicative funding amounts have been provided with final figures expected in December.

Council Tax Support will now need to be treated as a discount within the council tax calculations which means that the council's taxbase will reduce (as will the taxbase for County, Fire and Police). A recent consultation excludes Town and Parish Councils from the calculation. All other things being equal, the funding from the Government should cover the lost council tax income. However, where this is not the case then the gap could be covered by:

- further reducing the level of council tax support given;
- using the Council's own funding;
- increasing council tax (subject to the council tax referendum rules).

It is intended to put in place a scheme that meets the reduction in Government funding but this will be subject to review as the caseload will vary during the year.

New burdens funding of £84,000 has been provided by Government to support the implementation of the new scheme.

On 16th October Government announced additional funding of £100m for one year only to support local authorities in developing well designed council tax support schemes. The funding would be available as transitional grant for each authority. To apply for grant authorities must adopt schemes which ensure that:-

- Those who would be entitled to a 100% support under current council tax benefit

arrangements pay between 0% and no more than 8.5% of their new council tax liability;

- The taper rate does not increase above 25%;
- There is no sharp reduction in support for those entering work.

The additional grant available for the Tendring District is:-

- Tendring District Council - £44,173
- Essex County Council - £270,603
- Essex Police Authority - £34,041
- Essex Fire Authority - £16,539

The business case for taking this grant for one year only is not made in relation to the proposed scheme for Tendring. Only one billing authority in Essex has indicated that they are minded to take up the grant offer.

Risk

The Audit Committee reviewed the development of the LCTS project and the project's risks at its meeting on 25 September 2012 and the Committee noted the report and the impacts of the LCTS proposed scheme. It is proposed to provide an update to the Committee at its December 2012 meeting.

LEGAL

The Local Government Finance Bill contains the relevant legislative changes to enable the introduction of Local Council Tax Support Schemes. The draft Council Tax Reduction Schemes (Prescribed Requirements) Regulations and draft Council Tax Reduction Scheme (Default Scheme) Regulations were issued on 17 July 2012. At the time of printing, it was expected that the bill will receive Royal Assent early in November. If this is not achieved then most local authorities will be placed in a very difficult situation as to successfully implementing local schemes.

Amendments to the delegation powers are required for the Head of Resource Management and Revenues and Benefits Manager.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Equality and Diversity

Agreement in principle is being sought via this report in restricting access to LCTS to those residents in this area as at 1 April 2013. Subject to agreement to the issue in principle, the policy along with its implementation will be subject to further consideration.

The LCTS scheme set out in the body of the report will not impact on the following groups in that the relevant income will continue to be disregarded in calculating entitlement to support:-

- Families in receipt of child benefit;
- Disabled in receipt of Disability Living Allowance (DLA) / Employment and Support Allowance (ESA);
- War widows.

BACKGROUND

As part of the major changes to the Welfare Benefits system, from 31 March 2013 Council Tax Benefit will end and be replaced by a new scheme called Local Council Tax Support (LCTS) from 1 April 2013.

Similarly to the current position, funding will still be received by the Council to meet the cost of the new Local Scheme but at only 90% of existing funding levels. Given the challenging financial position and in consultation with other key stakeholders such as the major preceptors, the financial context of the new scheme is that, after taking into account the grant from the government, it should be cost neutral and therefore not impact on council tax payers generally.

There will be two parts to the scheme;

- one for pension age claimants (which will leave the pensioners' position unchanged);
- one for working age claimants.

The Pension Age Scheme will be set in accordance with rules laid down by the Government whereas the Working Age Scheme rules will be decided by each local authority (billing authority).

Pensioners and Vulnerable Groups

The Government has decided to protect pensioners (persons who are of an age where they can claim pension credit) therefore; pensioners who currently receive Council Tax Benefit will receive the same help they are currently entitled to. The Pensioner Age LCTS scheme will be almost the same as the current Council Tax Benefit system. The regulations set out classes of pensioners which must be included in a local authority's scheme and the amount of reduction pensioners within those classes will receive.

As the new system will only be funded to 90% of the old system, this means that the 10% reduction in funding must be found from the awards made under the Working Age Scheme. In Tending the current Council Tax Benefit caseload is a 47% / 53% financial split between Working Age and Pension Age respectively. Therefore, a cost neutral scheme for the Council Tax payer can only be achieved by around a 25% cut in Working Age LCTS awards from the existing awards.

The Government have been clear that in developing a local scheme, Councils should be mindful of their duties to vulnerable groups. It is proposed that the local scheme from 1 April 2013 will to a large extent include the same definitions of vulnerable groups as in the current system with an emphasis on families in receipt of child benefit, those in receipt of DLA / ESA and war widows. However, it is recognised that this will need to be reviewed as the scheme is developed.

Timetable

Authorities must adopt a new local scheme before 31st January 2013 otherwise the Government's prescribed default scheme will take effect. The default scheme reflects the existing Council Tax Benefit scheme and, as such, would not deliver the 10% funding reduction meaning that this would have to be met from the Council's own resources or from an increase in council tax.

DEVELOPMENT OF THE SCHEME

The pan Essex LCTS project group comprising of all the billing authorities and the unitary

authorities in Essex was created in January 2012 to devise a modular type model upon which all authorities could base their local schemes according to local needs. This model reflects the broad requirements of the scheme as set out by the Government.

The project is managed by the benefits managers under guidance from the Essex Finance Officers Association (EFOA).

In developing a local scheme the Council as a billing authority must:

- consult with the major precepting authorities (County, Fire and Police);
- publish a draft scheme in such manner as it sees fit;
- consult other such persons as it considers are likely to have an interest in the operation of the scheme;

A six week consultation period commenced on 1 August and ended 16 September 2012. A pan Essex approach to consultation was undertaken. A press release with pan Essex wording was released which directed the public to a generic questionnaire as well as a framework scheme document for each authority. As well as the press release, posters have been displayed in public places such as Libraries and Council reception areas advertising the questionnaire. In addition, those that will bear the greater cost have been written to individually.

The questionnaire along with the detailed responses is set out in **Appendix A**. A wide range of age groups and households responded across the various areas of the district with a summary of responses set out below:

- Nearly 60% felt that working age claimants on low income should not have to pay some of their Council Tax themselves.
- If people felt that working age claimants should have to pay some of their Council Tax themselves then nearly 47% indicated a figure of 20% as the percentage they should pay.
- In respect of limiting Council Tax support to a Band C property it was a fairly evenly split of those who agreed (43%) and those who did not (44%) with this potential option.
- An overwhelming 71% agreed that Council Tax support should only be given to those people whose savings were £6,000 or less.
- Nearly 72% of respondents agreed that more Council Tax support should be given to people who cannot work than those who are unemployed and who can work.
- Nearly 63% of respondents agreed that people should be given an incentive to work by having more of their earnings ignored when calculating their level of Council Tax support. This is in comparison with a similar split of people who agreed that some income such as child benefit should be included for calculating Council Tax support (45%) against those who disagreed (44%).
- 55% of respondents agreed to the introduction of a single higher £10 non-dependent deduction with claimants paying more.
- A significant number (nearly 70%) agreed with stopping the reduction for someone who has a 'high' income or savings but share their home with someone who is not their partner and who has a low income.
- Nearly 75% of people agreed with helping people from an earlier date if there was a good reason rather than from when their claim was received.

As highlighted in **Appendix A**, a range of organisations also took part in the questionnaire or attended presentations.

Corporate Management Committee

The Committee also reviewed the development of the LCTS for Tendring at their meeting on 17 September 2012 and made the following comments to Cabinet:

- “That a safety mechanism be put in place for those households who might struggle to meet the new payments
- That a series of newspaper adverts be initiated to ensure that households were fully aware of the new scheme.”

It is proposed to make sure that the affected parties are informed as early as possible of the impacts of LCTS as well as the other local authority administered welfare reforms coming into force on 1 April 2013. In conjunction with the publicity articles as much advance warning will be given to those affected. Those affected claimants who seek debt advice will be signposted to the Citizens Advice Bureau and other advice agencies in the information sent and publicity generated.

LOCAL COUNCIL TAX SUPPORT SCHEME FOR TENDRING

Following on from the development process set out above, a summary of the proposed new scheme is set out as **Appendix B**.

The proposed LCTS for Tendring is developed from the existing rules for Council Tax benefit. This is because:

- there are time constraints with regard to computer software development,
- Council Tax Benefit has been developed over a long period of time and has been legally tested,
- the current system has inbuilt mechanisms, through applicable amounts and premiums, that allows a calculation for each applicant taking into account their own financial and domestic circumstances.
- this will assist in complying with the Council’s duties to vulnerable groups, whilst offering work incentives through the use of tapers applied to earned income.

All Essex authorities, working together, have formulated and costed a number of options for finding the required funding reductions whilst, as far as possible, building in the protections and work incentives that the Government wish to see.

The precepting authorities of Essex County Council, Fire and Police have been involved in the development of the scheme.

The LCTS scheme for Tendring includes the following elements:-

- Include income from child maintenance payments
- Include all child minders income
- Include all household income (i.e. remove deductions for non dependents)
- Remove backdating of claims
- Remove underlying entitlement
- Remove second adult rebate
- 25% reduction in support for those who have been in receipt of Job Seekers Allowance (JSA) for more than 3 years
- Blanket charge of 10% on all non pensioner council tax liability

Based on current forecasts, the above approach would enable a net neutral scheme to be delivered after also taking into account changes in council tax discounts set out elsewhere on

the agenda and savings from the Benefits and Revenues Fundamental Service Review (FSR). The opportunity is also being taken to direct some of the savings from the FSR towards providing additional support to the Citizens Advice Bureau (CAB). The council is working closely with the CAB to minimise the impact on individuals and families from the LCTS scheme as well as other welfare changes.

The proposed scheme also includes a residency criterion so that those moving into the Tendring District after 1 April 2013 will not be eligible for council tax support but will become eligible for support after living in the district for 5 years. This is to deter people in other areas from coming to the Tendring area without being able to contribute economically to the District. This would not affect pensioners who are covered by the national scheme and there would need to be exemptions in exceptional circumstances e.g. unable to work, armed forces and emergency services personnel, fleeing domestic violence and starting work. For the purposes of approving a scheme, the proposals set out the broad principle of residency, with a detailed policy and implementation subject to further consideration.

Members should be aware of the following cautionary points in relation to the residency condition

- Law does not allow us to make a decision to create retrospective changes so the residency rule would have to be on a future date e.g. 1 April 2013;
- Most of the Essex billing authorities are not adding further conditions to the pan Essex Model options. Any legal challenge would not be defended by the group as it sits outside the agreed options;
- Tendring could face censure from DCLG if it acts unlawfully and the potential for the default scheme is an option that could be imposed on TDC by DCLG if it is deemed the Council has acted unlawfully or unreasonably.

Appendix B sets out a summary of the scheme which will be subject to various actions and steps to implement the new arrangements. It is therefore proposed that the detailed implementation is delegated to the Head of Resource Management in consultation with the Benefits and Revenues Portfolio Holder.

BACKGROUND PAPERS

None

APPENDICES

Appendix A Consultation feedback

Appendix B Local Council Tax Support Scheme

Tendring District Council Local Council Tax Support Survey Response

292 respondents accessed the campaign

Question 1

At the moment people who have very low income have all of their Council Tax paid by Council Tax Benefit. The proposal is that these people of working age would not have all of their Council Tax paid by Council Tax Support, but will have to pay some themselves.

Do you agree with this proposal?

This single response question was answered by 278 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	98	35.25
No	160	57.55
Don't know	20	7.19

Cont'd

Question 2

If yes, how much Council Tax should they pay?

This single response question was answered by 94 respondents

Response	Number of Respondents	Percentage of Respondents
20%	44	46.81
25%	32	34.04
30%	7	7.45
More	11	11.7

Question 3

The maximum amount of support given to people on benefit would be limited to a Band C property for our area (the claimant would have to top up the rest).

Do you agree?

This single response question was answered by 264 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	114	43.18
No	117	44.32
Don't know	33	12.5

Cont'd

Question 4

Council Tax Support would only be given to people whose savings are £6000 or less.
Do you agree?

This single response question was answered by 268 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	191	71.27
No	70	26.12
Don't know	7	2.61

Question 5

People who cannot work (for example they have a long term illness) would be given more Council Tax Support than those who are unemployed and able to work.
Do you agree?

This single response question was answered by 266 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	191	71.8
No	68	25.56
Don't know	7	2.63

Cont'd

Question 6

People would be given an incentive to work by having more of their earnings ignored when calculating their Council Tax Support.
Yes/No/Don't know

This single response question was answered by 264 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	166	62.88
No	60	22.73
Don't know	38	14.39

Question 7

Currently, in our calculation of Council Tax Benefit, we do not take account of some incomes such as Child Benefit and some earnings. More of the money that someone gets would be used to calculate their Council Tax support.
Do you agree?

This single response question was answered by 264 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	120	45.45
No	117	44.32
Don't know	27	10.23

Cont'd

Question 8

Currently, we pay claimants less if they have other adult ‘non-dependents’ living with them. Under the new proposals, introducing a single higher £10 non-dependent deduction, claimants would pay more.

Do you agree?

This single response question was answered by 264 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	147	55.68
No	73	27.65
Don't know	44	16.67

Question 9

Currently some people are not entitled to help with their Council Tax due to their high income or savings, but they get a reduction in their Council Tax because they share their home with someone who is not their partner and who has a low income.

Do you think this should be stopped?

This single response question was answered by 261 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	182	69.73
No	61	23.37
Don't know	18	6.9

Cont'd

Question 10

We currently help people from when we receive their claim. We would help them from an earlier date if they give us a good reason?
Do you agree?

This single response question was answered by 262 respondents

Response	Number of Respondents	Percentage of Respondents
Yes	196	74.81
No	49	18.7
Don't know	17	6.49

Cont'd

HOUSEHOLD	Number of Respondents	Percentage of Respondents
A family with one or two dependent children	37	16.23
A family with three or more children	21	9.21
A lone parent household	25	10.96
A carer	26	11.4
A household with full and/or part time workers	34	14.91
A household that includes someone who is disabled	75	32.89
A single person household or a couple without children	61	26.75
None of the above	29	12.72
Don't know	1	0.44

AGE	Number of Respondents	Percentage of Respondents
16 - 24	4	1.79
25 - 44	62	27.8
45 - 64	142	63.68
65+	15	6.73

Cont'd

Distribution of participants

Area	Number of Respondents
Alresford	1
Alton Park	13
Ardleigh	1
Beaumont & Thorpe	15
Bockings Elm	4
Bradfield	2
Brightlingsea	5
Burrsville	2
Elmstead	1
Frinton	6
Golf Green	17
Great & Little Oakley	2
Great Bromley	3
Hamford	6
Harwich East	13
Harwich West	1
Harwich Central	6
Haven	2

Holland & Kirby	12
Homelands	4
Lawford East	2
Little Clacton	2
Manningtree	2
Peter Bruff	9
Pier	14
Point Clear	3
Ramsey & Parkeston	1
Rush Green	14
St Bartholomews	6
St James	6
St Johns	8
St Marys	10
St Osyth	3
St Pauls	9
Tendring	1

Walton (central)	7
Weeley	1
Out of Area (Liverpool)	1

Groups attending Presentations and/or completing the Survey

Colchester Mind members

Essex Floating Support

Family Mosaic

Mayday Self Help Groups & Good Thinking

One Support

Tendring Pensioners Action Group

Essex Carers Support

Tendring Community Transport

Autism Anglia

Health in Mind

Pier Avenue Baptist Church

Epilepsy Action

St Osyth Youth Club

Age Concern

CVST



Local Council Tax Support (LCTS)

A summary of the draft scheme for Working Age persons and the Government scheme for Pension Age claimants

Local Council Tax Support (LCTS)

A summary of the draft scheme for Working Age persons and the Government scheme for Pension

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Introduction

As part of the major changes to the Welfare Benefits system, from 1st April 2013 Council Tax Benefit will end and is to be replaced by a new scheme called Localised Support for Council Tax or Local Council Tax Support (LCTS). Both systems are means tested which means that they compare your income and capital against an assessment of your needs.

The new scheme will largely be decided by each Council rather than nationally by Central Government. The monies available to each Council have been reduced and if you are of working age the amount of help you receive will be less than under the current scheme (Council Tax Benefit).

Central Government has decided to protect pensioners (persons who are of an age where they can claim pension credit) and therefore if you are a pensioner and are currently receiving Council Tax Benefit, then the amount of help you receive under the new LCTS scheme will be broadly the same and operate in a similar way to the current Council Tax Benefit system

To assist certain vulnerable groups, the Council has also decided that there will be additional protection given. More details are given later within this document.

The rules of the LCTS scheme divide the persons who can claim support into various classes. The classes or groups are set by Central Government for pensioners and the classes or groups for working age applicants are set by the Council. The following section shows the classes that are to in place from 1st April 2013:

The draft LCTS scheme for working age persons

The Council has decided that there will be two classes and the Council will decide which class each applicant is in. The class will determine the level of LCTS that can be provided:

Any reference to “income” in the working age scheme refers to household income (i.e. including Non-Dependants income)

Class 1

To obtain support the individual must:

- a. have not attained the qualifying age for state pension credit; or
- b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. not have capital savings above the capital limit set by the Council
- e. be a person who’s *income* is **less** than their living allowances (*applicable amount*) or the claimant or partner is in receipt of Income Support, Jobseekers allowance (income based) or Employment and Support Allowance (income related); and
- f. have made a valid claim for support.

Class 2

To obtain support the individual must:

- a) have not attained the qualifying age for state pension credit; or
- b) has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance.

- c) be liable to pay Council Tax in respect of a dwelling in which they are solely or mainly resident;
- d) be somebody in respect of whom a maximum LCTS amount can be calculated;
- e) not have capital savings above the capital limit set by the Council;
- f) be a person whose *income* is **more** than their living allowances (*applicable amount*);
- g) have made a valid claim for support;

What LCTS will be payable to working age person?

If a person matches the criteria in Class 1, including that their *income* is less than their *living allowances (applicable amounts)*, that person qualifies for a reduction on their council tax liability. The Council has decided that for 2013/14, the maximum council tax liability used in the calculation of LCTS, will be a Council agreed percentage of council tax the person is liable to pay.

If a person matches the criteria in Class 2, it will mean the person's *income* is greater than their living allowances (*applicable amount*). Twenty per cent of the difference between the two will be subtracted from the maximum council tax liability allowed. The Council has decided that for 2013/14, the maximum council tax liability used in the calculation of LCTS, will be a Council agreed percentage of council tax the person is liable to pay.

Protection for certain working age persons

Relevant income disregards in the calculation of Local Council Tax Support will be applied to the following groups:-

- o Families in receipt of child benefit;
- o Disabled in receipt of Disability Living Allowance (DLA) / Employment and Support Allowance (ESA);
- o War widows.

The Council Tax Support scheme for Pensioners (persons who have reached the age at which pension credit can be claimed)

The Government has created three classes and the Council will decide which class each applicant is in. The class will determine the level of LCTS that can be provided:

Class 1

To obtain support the person must:

- a. have attained the qualifying age for state pension credit;
- b. not be somebody with a partner of working age in receipt of income support, income-based jobseeker's allowance or income-based employment and support allowance;
- c. be liable to pay council tax in respect of a dwelling in which they are resident;
- d. not have capital savings above £16,000;
- e. must have their assessed income less than or equal to the set living allowances (*applicable amounts*) set by Central Government; and
- f. have made a valid application for the support

The class also includes persons who have successfully claimed Pension Credit Guarantee.

Class 2

To obtain support the person must:

- a. have attained the qualifying age for state pension credit;
- b. not be somebody with a partner of working age in receipt of income support, income-based jobseeker's allowance or income-based employment and support allowance;
- c. be liable to pay council tax in respect of a dwelling in which they are resident;
- d. not have capital savings above £16,000;
- e. have made a valid applied for the scheme; and
- f. have assessed income above the set living allowances (applicable amounts) set by Central Government

Class 3

To obtain support the person must:

- a. have attained the qualifying age for state pension credit;
- b. not be somebody with a partner of working age in receipt of income support, income-based jobseeker's allowance or income-based employment and support allowance;
- c. be liable to pay council tax in respect of a dwelling in which they are resident;
- d. made a valid application for the for a scheme;
- e. be somebody who has at least one second adult living with them who is not his/ her partner, not somebody who pays rent, and who is on a prescribed low wage and/or prescribed benefit, as set out by Central Government.

What LCTS will be payable to Pension Age persons?

If a person matches the criteria in Class 1, including that their *income* is less than their *living allowances (applicable amounts)* that person qualifies for 100% reduction on their council tax liability. This also applies if a person is in receipt of state pension credit guarantee credit from the Department for Work and Pensions (Pensions Service).

If a person matches the criteria in Class 2, it will mean the person's *income* is greater than their *applicable amount (living allowances)*. Twenty per cent of the difference between the two will be subtracted from this individual's council tax liability.

LCTS for person in Class 3 may be awarded in respect of a second adult sharing the household who would normally be expected to contribute towards the council tax bill, but who cannot afford to do so, based on their low income or on prescribed benefits. This reduction will equate to the *second adult rebate* available under the Council Tax Benefit scheme and may be awarded at 100%, 25%, 15% or 7.5% of the council tax liability, depending on individual circumstances

How LCTS works

Who can claim?

If you have to pay Council Tax, you may be able to get LCTS (CTS) from 1st April 2013

You can only get support if you have a right to reside and are habitually resident in the United Kingdom (UK). If you have entered the UK within the 2 years before your claim for benefit, the council will ask you about this.

To claim for the Working Age Scheme you must also meet the Council's local residency criteria. The conditions of which are available as a separate policy document.

People given refugee status, humanitarian protection or exceptional leave to remain in the UK will be eligible for support.

Most full-time students are not entitled to LCTS.

How much LCTS can I get?

Maximum LCTS depends on:

- Whether you are in the Pension Age scheme (attained the qualifying age for state pension credit) or are in the Working Age scheme;
- How much council tax you have to pay; and
- Who you live with.

How is maximum LCTS calculated for the Pension Age Scheme

For the Pension Age Scheme the maximum LCTS is set by the Government as up to 100% of the council tax you are liable to pay less any non-dependant deductions (see non-dependant deductions later in this document). If you are already getting or have claimed Pension Credit Guarantee the Council will grant maximum Council Tax Support

How is maximum LCTS calculated for the Working Age Scheme

For the Working Age the maximum LCTS is set by the Council as a percentage of the council tax you are liable to pay.

For the Working Age in receipt of income-based jobseeker's allowance (JSA IB) for a period of 3 or more years the maximum council tax liability used in the calculation of LCTS may be subject to a further reduction as decided by the council.

Extended Payments

If your Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance or Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stops because of work.

Extended Payments of LCTS are available and the payment is an extra four weeks of support to help pay towards your Council Tax when certain other benefits stop because you're going back to work, working more hours or earning more money.

You do not have to claim an Extended Payment if you or your partner, or civil partner (and they remain a partner throughout the claim) have stopped getting one of the benefits mentioned below because one of you is expected to do one of the following for five weeks or more:

- Return to work full time
- Work more hours
- Earn more money

And you've been getting one of the following:

- Jobseeker's Allowance, Income Support, or income-related Employment & Support Allowance or a combination of these benefits continuously for at least 26 weeks

or

- Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance continuously for at least 26 weeks

and

- You expect the work, increased hours or earnings to last five weeks or more and you've not been getting Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance with your Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance when it ceased.

Normally you'll get the same amount of LCTS as you did before your income-based Jobseeker's

Allowance, Income Support, income-related Employment & Support Allowance, Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stopped.

It is paid by the Council directly to your Council Tax account. The Council will decide whether or not you're entitled to an Extended Payment. The Council will also consider whether you are entitled to in-work Council Tax Support. Once your extended payment period has ended, you can move onto in-work LCTS (provided you are entitled to it) without having to make a new claim.

If you do not get Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance

Even if you do not get Pension Credit Guarantee, Income Support, income-based JSA or income-related Employment & Support Allowance you may still get some help with paying your council tax.

This is worked out by comparing the maximum LCTS you could get with:

- your needs (called your living allowances or applicable amounts); and
- your income and capital resources

Capital

Savings and investments (capital) may have an effect on the assessment of your income. Capital will only affect your income if you have more than the capital limit set by the Council and are of working age or £10000 if you are of pension age. If you have more than £16,000, you will not normally be able to get LCTS (unless you are aged 60 or over and receive the Pension Credit Guarantee, in which case there is no limit to the amount of capital you can have).

Absences from home

There are some special situations in which you may continue to get LCTS and these are explained below.

Going away

You should normally let the council know if you are temporarily absent, for example if you go away on holiday. But the Council may not need to know if you will be absent for only a short time (for example less than 4 weeks) and your circumstances remain unchanged. If in doubt, ask us.

- If you are temporarily absent you can normally get LCTS for a maximum of 13 weeks as long as you intend to return home; and
- in your absence you will not let or sub-let the part of your home where you normally live; and
- you will not be away for longer than 13 weeks.

In certain circumstances, you may be able to get LCTS for up to 52 weeks, for example if you are in hospital, or are held in custody on remand, provided that:

- you intend to return home; and
- in your absence you will not let or sub-let the part of your home where you normally live; and
- you will not be away for longer than 52 weeks.

How to claim

Claims for LCTS can be made in writing, by telephone and electronically. Contact the Council on the Helpline 01255 686811 for details.

All claims will need to be supported by evidence of your circumstances and this will need to be provided to the Council. If you are claiming Housing Benefit as well as Council Tax Support, the

Council will provide you with a joint claim form.

If you are married and your husband or wife normally lives with you, or if you live with someone as though you are a married couple, only one of you can make the claim for Council Tax Support. You may choose who is to make the claim, or if you cannot agree who is to claim, the Council will nominate one of you to be the claimant.

Appointees

An appointee, for the purposes for Council Tax Support, is someone over 18 appointed by the Council, to manage the LCTS claim of someone who is incapable of doing so themselves (mainly because of mentally incapacity).

If you are already an appointee for other benefits and wish to be the appointee for Council Tax Support, you should write to be appointed by the Council. The role and responsibilities are the same. If you wish to become an appointee you should get in touch with the Council; they will explain the process and your responsibilities. The authority can end the appointment at any time. It is ended automatically if one of the people listed below is appointed. As an appointee you can resign at any time. An appointee cannot be made where there is already someone acting for the customer's financial affairs in any of the following capacities:

- a receiver appointed by the Court of Protection
- under Scottish law, a tutor, curator or other guardian, a continuing attorney or welfare attorney
- someone appointed to have the power of attorney.

Information and evidence

The Council may need more information or supporting evidence so that they can calculate your Council Tax Support. If all the information they need is not on the claim form, or they need to clarify something or want some more verification of your circumstances the Council will write to you. If you do not reply within one month a decision will be made on your claim based on the evidence you have provided.

How long will it take to decide your claim for Council Tax Support

The Council will deal with your claim for LCTS as soon as possible after receiving all the information from you that they need to work out your entitlement

Date of claim

The date of claim will be the date of first contact typically by phone provided that the claim form is returned to an office of the authority within one month of the claim form being issued.

If you change your address

If you move to a different Council area, you must make a new claim for LCTS at your new council. If you move within the same Council area, you must still tell the Council.

Backdating a claim (Pension Age Scheme only)

If you have reached the qualifying age for state pension credit your LCTS may be paid for up to 3 months before the date you made your claim. You do not have to ask for this and you do not have to show "good cause" for not having claimed earlier.

Start of Council Tax Support

If you become liable for the Council Tax for the first time, for example if you move to a new address or reach the age of 18 or stop being a registered student, you should claim either in advance (you may claim up to 13 weeks before you expect to become liable), or in the week that

your liability starts. You then get support from the day you start being liable for Council Tax. If you claim later than this, your support starts on the Monday after the day you claim

If you are already paying the Council Tax and become entitled to support because you have less money or your applicable amount changes, you also start getting benefit on the Monday after you claim.

Start of LCTS where a claimant acquires a partner

If you acquire a partner, you and your partner will be jointly and severally liable for the Council Tax.

If you notify the council of the change, either before, or in, the week that your partner becomes jointly and severally liable, benefit for you and your partner, as a couple, can be paid from the day that joint liability for council tax begins.

If you notify the Council of the change after the week in which your partner becomes jointly liable for Council Tax, support for you and your partner, as a couple, can only be paid from the Monday following the day you told the Council about the change. In this case, the Council will re-assess your support entitlement from the Monday following the day you and your partner become a couple, and they will take any income and capital your partner has into account and will look at your joint needs.

End of Council Tax Support

If you stop being liable for the Council Tax, for example if you move away from an address or become exempt or start being a registered student, your LCTS stops on the day you stop being liable. If you no longer qualify for LCTS because, for example, your income increases or your applicable amount changes, your LCTS will be stopped from the beginning of the next support week.

End of Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance entitlement

If you stop getting Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance, you must tell the Council and they will have to stop your Council Tax Support. At the same time they will ask you to explain your new circumstances, because you may still be able to get some help with your Council Tax.

People who live with you - non-dependants

People who normally share your accommodation but are not dependent on you for financial support are known as non-dependants. Others who live with you as a family and any children you have fostered do not count as non-dependants.

Non-dependant deductions for Pension Age Scheme

Any non-dependants who normally share your accommodation could affect the amount of LCTS you get whether or not you are also getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee

The following people do not count as non-dependants, whether they share accommodation or not:

- carers employed by a charity that charges for the service;
- joint tenants;
- subtenants;
- boarders;
- tenants of owner occupiers; and
- Landlords and their partners.

They do not count as part of your household.

Non-dependants are people like grown-up sons or daughters and elderly relatives. If you have non-dependants living with you, your LCTS may be affected by Non-Dependant deductions for the Pension Age Scheme, or inclusion of their income in the LCTS calculation for the Working Age Scheme.

Non-dependant deductions from Council Tax Support for Pension Age Scheme

Deductions will be made from your LCTS for non-dependants aged over 18 who normally live with you. There are four levels of deduction. If the non-dependant is working less than 16 hours a week, the lowest deduction will apply. If the non-dependant is doing paid work for 16 hours or more a week, the level of deduction will depend on the non-dependant's gross income.

A deduction will not be made from your LCTS if:

- the non-dependants' normal home is somewhere else; or
- you, or your partner, are registered blind or treated as blind; or
- you, or your partner, are receiving the care component of Disability Living Allowance or Attendance Allowance in respect of yourself or your partner; or
- the non-dependant is receiving Pension Credit Guarantee, Income Support or income-based JSA or income-related Employment & Support Allowance; or
- the non-dependant is a prisoner; or
- the non-dependant is severely mentally impaired; or
- the non-dependant is over 18 but Child Benefit is still payable for them; or
- the non-dependant is a student nurse or apprentice or on Youth Training; or
- the non-dependant has been a patient in hospital for 52 weeks or more; or
- the non-dependant is living in a residential care or nursing home; or
- the non-dependant is a care worker; or
- the non-dependant is a resident of a hostel or night shelter for the homeless; or
- the non-dependant is a full-time student (even if they work full-time in the summer vacation).

A deduction may be delayed for 26 weeks if you or your partner are aged 65 or more and a non-dependant moves into your home, or the non-dependants' circumstances change to increase the deduction.

Working out the amount of Council Tax Support

The maximum amount of LCTS depends on:

- Whether you are in the Pension Age scheme (attained the qualifying age for state pension credit) or are in the Working Age scheme;
- How much Council Tax you have to pay; and
- Who you live with.

How is maximum LCTS calculated for the Pension Age Scheme

For the Pension Age Scheme the maximum LCTS is set by the Government as up to 100% of the council tax you are liable to pay less any non-dependant deductions (see non-dependant deductions later in this document). If you are already getting or have claimed Pension Credit Guarantee the Council will grant maximum Council Tax Support

How is maximum LCTS calculated for the Working Age Scheme

For the Working Age the maximum LCTS is set by the Council as a percentage of the Council Tax you are liable to pay.



What if I do not receive Pension Credit Guarantee, Income Support, income-based Jobseeker’s Allowance or income related Employment and Support Allowance?

If you do not get Pension Credit Guarantee, income Support, income-based JSA or income related Employment and Support Allowance, the council has to work out if you can get LCTS and if so, how much you can get.

To do this, the Council works out your maximum Council Tax Support, and then compares your needs – called the living allowances or applicable amount – with your resources (your income and capital).

For customers receiving the Savings Credit of Pension Credit, the Council will use a statement supplied by The Pension Service to assess your resources (income and capital).

Second Adult Discount (SAD) for Pension Age Scheme

Apart from CTB for yourself, you may also be able to get LCTS if you share your home with one or more adults. This is separate form of LCTS for you and is called Second Adult Discount (SAD). Second Adult Discounts are intended to assist you with the council tax if you share your home with someone who is on a low income. Second Adult Discounts may be awarded in the following circumstances:

- if you are treated as living on your own for benefit purposes, and share your home on a non-commercial basis with a person who is on a low income and who is not liable to pay the council tax;
- the second adult is aged 18 or over; and
- no other person is paying rent to you for living in your home.

In order to be classed as a second adult, they must not be:

- liable for the council tax;
- a joint owner or tenant with you;
- your married or unmarried partner;
- someone who is disregarded for the purposes of a discount; or
- living with more than one liable person.

You will need to make a claim for SAD unless you have already claimed LCTS for yourself. The gross income of the second adult will be taken into account when assessing entitlement to SAD.

Gross income includes earnings from employment, as well as other income such as social security benefits and occupational pensions and actual income from the second adult’s capital. Any Attendance Allowance or Disability Living Allowance paid to a second adult is completely disregarded. You may apply for SAD even if your own capital exceeds £16,000.

SAD is awarded on the basis of your council tax bill, after any reductions that you may be entitled to, are deducted. The amount of SAD that can be awarded is as follows;

Second Adult	Alternative Maximum Council Tax Support
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an	25 per cent of the Council Tax due in respect of that day;

income-based jobseeker's allowance;	
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance—	<p>is less than £180.00 per week; - 15 per cent of the Council Tax due in respect of that day;</p> <p>is not less than £180.00 per week but less than £235.00 per week; - 7.5 per cent of the Council Tax due in respect of that day;</p>
(c) If the dwelling is occupied by a second adult/adults on state pension-credit, income-related jobseeker's allowance, income-related employment and support allowance or income support, living with a full-time student(s).	100 % of the Council Tax due in respect of that day.

Income less than applicable amount

In this case you get maximum LCTS (depending on whether you are of Pension Age or Working Age this may vary in amount).

You will also get maximum LCTS as allowed under the scheme if your income is the same as your applicable amount.

Income greater than applicable amount

In this case you will get an amount less than your maximum Council Tax Support. The amount by which your LCTS is reduced is based on the difference between your income and your needs.

A percentage of this difference – called a taper – is taken away from your maximum Council Tax Support

Calculating your needs

Your needs are known as your living allowance or applicable amount and this is an amount that is set each year. For the Pension Age scheme this is set and approved by Parliament. For the Working Age scheme this is set by the Council. Your applicable amount takes into account the size of your family, your age and extra needs you may have. It is made up of personal allowances and premiums. Premiums are included if you have a family, or disability, or a disabled child.

Living Allowances or Applicable Amounts

The living allowances or applicable amount represents the needs of you and your family if you have one. The larger your family then larger your applicable amount. The applicable amount is made up of three parts: [

- a personal allowance; and
- personal allowances for children in your family; and
- premiums.

Personal allowance

Your applicable amount always includes a personal allowance. Different amounts apply according to your age and whether you have a partner.

Personal allowances for children

If you are looking after children (other than foster children) then you get an allowance for each child included in your applicable amount according to his or her age. This allowance is included until that child leaves school or reaches their 20th birthday.

A special rule applies if the child has left school and started work before the Child Benefit stops.

Premiums for your family

Once personal allowances and allowances for children have been worked out, premiums can be added – if they apply – to make up your applicable amount.

Your children

A family premium will be included if you have any dependent children in your household. No matter how many children you have, you can only get one family premium.

Premiums or components for disabilities

These premiums are included in your applicable amount for people in your family with disabilities. There are three premiums and two components in this group:

- disabled child premium (for each disabled child in your household);
- disability premium (if you or your partner gets one of the benefits listed below or you have been off sick for more than 52 weeks);
- severe disability premium (if you are disabled and live in special circumstances);
- work related activity component; and
- support component.

Disabled child premium

The disabled child premium is a flat-rate premium, which may be awarded for each disabled child in your household and can be included with any other premiums. Your child is considered disabled if they are:

- registered blind
- or receiving Disability Living Allowance.

Disability premium

Disability premium will be included in your applicable amount if you and your partner are aged less than pension credit age and:

- either of you is registered blind; or
- either of you gets one of the qualifying benefits listed below; or
- has been off sick for 52 weeks or more.

Qualifying benefits

You will get the disability premium if you or your partner gets any of the following benefits:

- Disability Living Allowance ;or
- Working Tax Credit Disability Element; or
- Constant Attendance Allowance; or

- War pensioners' mobility supplement; or
- Severe Disablement Allowance; or
- Incapacity Benefit – long term rate or short-term higher rate paid at the long term rate.

Severe disability premium

This premium cannot be included on its own. You must first qualify for the disability premium.

If you are single or a lone parent - The severe disability premium may be included in your applicable amount if you:

- receive the care component of Disability Living Allowance at the highest or middle rate, Attendance Allowance or Constant Attendance Allowance; and
- live alone (but if others live with you, see below); and
- no one receives Carer's Allowance for looking after you.

If you have a partner

You may get the severe disability premium if you both:

- receive the care component of Disability Living Allowance (DLA) at the highest or middle rate, Attendance Allowance (AA) or Constant Attendance Allowance; or
- your partner is blind and you receive the care component of DLA at the highest or middle rate, AA or Constant Attendance Allowance; and
- no one lives with you; and
- no one receives Carers Allowance for looking after either one or both of you.

For the purposes of severe disability premium your LCTS is not affected if other people living with you are:

- Children; or
- aged 16-17; or
- a person who is registered blind; or
- receiving the care component of Disability Living Allowance (DLA) at the highest or middle rate, or Attendance Allowance (AA); or
- people caring for you who are employed by a charity that makes a charge for this service

Enhanced Disability Premium

Enhanced Disability Premium is awarded where you, or a member of your family, who is aged under 60 receives the highest rate of Disabled Living Allowance (DLA) or where the claimant is in receipt of Employment and Support Allowance Support Component. This premium will remain in payment if the DLA is suspended during hospitalisation. This premium is awarded at three different rates. They are:

- a rate for each dependent child/young person in your household who receives the highest rate of DLA;
- a rate for a single person who receives the highest rate of DLA;
- a rate for couples where at least one member of the couple receives the highest rate of DLA.

Work Related Activity Component

This is awarded where you or your partner receives main phase Employment and Support Allowance and receives a similar component within that benefit

Support Component

This is awarded where you or your partner receives main phase Employment and Support Allowance and receives a similar component within that benefit

Carer Premium

The Carer Premium is awarded if either you or your partner is looking after a disabled person and:

- receive Carer's Allowance; or
- made a claim for Carer's Allowance and would be entitled but for an overlapping benefit.

If both you and your partner satisfy the qualifying conditions two premiums can be awarded.

The carer premium continues for eight weeks after caring ceases.

Calculating your resources

Your resources are made up of your income and your capital. These are worked out as a weekly amount of income.

Income

Income is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources. Depending on the type of income, it may be completely or partially ignored in the calculation of your LCTS (the disregards), or taken fully into account.

For the Pension Age Scheme your resources and those of your partner are taken together when your income and capital are worked out.

For the Working Age Scheme your resources and those of your partner are taken together along with any Non-Dependants income when your household income and capital are worked out.

Income from employment

This explains what counts as your income from work you do, when you are employed by someone else. If you are a company director or any other officeholder in a company you are classed as an employee of that company.

Earnings from employment mean any money you are paid when you work for someone else. This includes the following types of payments:

- bonuses or commission (including tips);
- money you get instead of your normal pay (for example, a liquidator may give you money when your employer stops trading and you are owed some pay);
- money you get in place of notice to end your employment, or money you get to make up for losing your job;
- money you get for holidays you did not take (holiday pay) – but not holiday pay owed to you more than four weeks after you stopped work;
- money you get if you are kept on while doing no work (for example, a retainer paid to school cooks during school holidays);
- expenses you are given to cover your travel to and from work;
- expenses you are given to cover the costs of looking after someone in your family

- any expenses you are given that are not essential for you to carry out your work;
- money you get, under the Employment Protection (Consolidation) Act 1978, when you are not given work because of bad weather, or money you get because of unfair dismissal;
- money that an industrial tribunal orders your employer to give you if the period of notice or redundancy that is required by law has not been given;
- money you get from your former employer's redundancy funds if the business goes into liquidation;
- Statutory Sick Pay or Statutory Maternity Pay;
- Statutory Paternity Pay and Statutory Adoption Pay;
- Employer's sick pay or employer's maternity pay
- earnings from permitted work, that is, work while you are getting an incapacity benefit which your doctor thinks would benefit your health.

Earnings from employment do not include:

- payment in kind (where no money is involved)
- expenses you are given that are essential for you to carry out work
- any occupational pension.

Net earnings

Once your gross earnings have been worked out, your council will take away:

- your income tax payments (allowing for personal relief); and
- your National Insurance (NI) contributions; and
- half of any contributions you make to an occupational or personal pension scheme (any amounts paid to a pension scheme by your employer do not count).

This gives your net earnings, which are used to work out your Council Tax Support

Self-employed earnings

If you are self-employed, all the money you earn when you are not employed by someone else is known as your earnings from self-employment. You may have self-employed earnings even if you are also working for someone else, or if you are a franchise holder.

When working out your earnings the Council will want to know how much you earn when you are self-employed, and you will be asked to provide evidence, if possible, of how much you earn.

There are three stages in working out your self-employed earnings. The first is calculating the gross profit of your business. In the second stage, deductions – which are called allowable expenses – are taken away from the gross profit to give the net profit of the business. In the third stage, tax, NI, and pension payments are taken away from your net profit to give your net earnings.

Child-minders

If you are a child-minder only one third of your earnings from child-minding will be taken into account when the council works out your Council Tax Support for the Pension Age Scheme. For the Working Age Scheme all of your earnings from child-minding will be taken into account.

Earnings and earnings disregards

After working out your net earnings, any amount that is not counted in the calculation of your LCTS

is known as a disregard.

The amount of your earnings that is not counted depends on which premium is included in your applicable amount. There is more information on the applicable amount and premiums.

When £5 is not counted - If you are single and you cannot get a greater disregard by any of the means explained below, up to £5 of your weekly earnings will not be counted (the £5 disregard).

When £10 is not counted - If you have a partner and you cannot get the £20 disregard by any of the means explained below, up to £10 of your joint weekly earnings will not be counted (the £10 disregard).

When £20 is not counted - £20 per week of your earnings will not be counted if your applicable amount includes:

- the disability premium; or
- the severe disability premium; or
- a component with Employment and Support Allowance; or
- or the carer premium (where the carer is working).

If both you and your partner are carers, the total disregard cannot be more than £20. The carer premium and this earnings disregard can continue for a further eight weeks after caring ceases.

If you have a partner, your earnings are added together when your LCTS is worked out.

If you cannot get the £20 disregard under the above categories, you may still be able to get it if you are:

- a part-time fire-fighter; or
- an auxiliary coastguard; or
- a part-time member of a crew launching or manning a lifeboat; or
- or member of the Territorial Army or the Reserve Forces.

Additional disregard

If you work on average 30 hours a week or more you will usually be able to get an extra earnings disregard. In certain circumstances you can also qualify for the higher earnings disregard if you work 16 hours or more e.g. if you are a lone parent or disabled. This is the same amount as the 30-hour tax credit in your Working Tax Credit (WTC)

Childcare charges

In certain circumstances, average childcare charges of up to £175 (for one child) or up to £300 for 2 or more children per week per family can be offset against your earnings. This disregard, which is in addition to the other earnings disregards, is available to:

- lone parents who are working 16 hours or more per week;
- couples where both are working 16 hours or more per week;
- couples where one member is working 16 hours or more per week and, generally, the disability premium, or, in certain circumstances, the higher pensioner premium, is included in the applicable amount on account of the other member's incapacity or the other member is in hospital or in prison.

It applies where formal childcare is provided by, for example, registered child-minders or day nurseries for children until the first Monday in September following their 15th birthday (or the 16th

birthday for children who are entitled to Disability Living Allowance or who are registered blind).

In certain circumstances, help with childcare costs can be given while you are on maternity leave or paternity or adoption leave or you are sick. The authority will be able to give you more details.

In some other cases explained here, different amounts of your earnings are not counted.

If you are in receipt of Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance then any earnings you get will not be counted again in working out Council Tax Support.

Notional Earnings

If you have done some work and you seem to have been paid very little for it, then the council will estimate what that work is worth. If you have a good reason for the pay being so low – for example, if you worked for someone who had very little money – then you should let the council know. If necessary, the Council may check your statement of earnings by asking your employer.

Other income

Other income is all the other money you have coming in apart from earnings from employment or self-employment. It is sometimes called unearned income. In some cases none of your unearned income is counted. Sometimes part of it is counted, and in other cases it is all counted.

State benefits

The following benefits are counted in full as income for Council Tax Support:

- Contribution-based Jobseeker's Allowance
- Contribution-based Employment and Support Allowance
- Universal Credit
- State Pension
- Incapacity Benefit
- Severe Disablement Allowance
- Carer's Allowance
- Industrial Injuries Disablement Benefit
- Industrial Death Benefit
- Working Tax Credit
- Child Tax Credit (ignored if you or your partner are pension age)
- Savings Credit of Pension Credit
- Bereavement Benefits (ignored if you or your partner are pension age).

Unearned income that is not counted

The following types of income are not counted by the Council when it works out your Council Tax Support:

- any income you get if you are getting the Guarantee Credit of Pension Credit, Income Support, income related Employment and Support Allowance (ESAIR) or income-based Jobseeker's Allowance (JSA);
- Disability Living Allowance (DLA);
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA);
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries

Disablement Benefit;

- Child Benefit;
- Child Maintenance (spousal maintenance is taken into account in part or in full depending on whether you have a child) for the Pension Age Scheme;
- money you get which takes the place of DLA, AA, CAA, or Income Support;
- war pensioners' mobility supplement;
- any money you get from the Social Fund;
- Guardian's Allowance;
- money you get as a holder of the Victoria Cross, the George Cross, or any comparable award;
- any grants or allowances you get from your local education authority if you have a dependent child who continues in education after school leaving age;
- any training premium and any refunded travelling expenses or living away from home allowances when you are on a Department for Education and Employment Training Scheme training course or at an employment rehabilitation centre;
- any money such as interest or dividends from savings or investments;
- any expenses you get from an employer that you need to carry out your work;
- any expenses you get from a charity so that you can carry out unpaid work;
- any income in kind (where you are given something other than money);
- any income you have which has been held back outside this country, as long as it remains held back, and it is not within your control;
- any money you get for fostering a child;
- any money you get for looking after an elderly or disabled person temporarily (community boarding out schemes);
- any money you get from a local Social Services Department to help keep a child at home instead of putting them into care;
- any Council Tax Benefit you have received;
- special payments made with your War Widow's Pension if you have been designated as a pre-1973 war widow;
- any charitable or voluntary payments which are made regularly;
- payments made under the Employment Department's 'Access to Work' scheme for disabled people; or
- War Disablement Pension or a War Widow's/Widower's Pension, or any similar payment from another country (Local Scheme)

Some types of income may be counted as capital.

Unearned income that is counted in part

The following are the types of unearned income that are only partly counted.

- the first £15 of Widowed Mother's Allowance or Widowed Parent's Allowance;
- the first £20 of any money from sub-tenants; or
- the first £20 then 50% of the excess of money you receive from a boarder is ignored. The balance is treated as income.

Notional income

The council may think that there is income, which you could get, but you are not claiming it. This is known as notional income because you do not actually receive that income. The Council may take this into account for LCTS purposes

Parental contributions to students

If you are making a parental contribution to a student then part of your income is not counted to take account of this.

Capital

Your capital includes savings and investments held by yourself in any form (for example, bank and building society accounts, investment trusts, and shares) from any source (for example, inheritance, redundancy payments, and irregular payments from a charitable or voluntary source). It will normally also include the net sale value of land and housing that you do not occupy, after deducting 10% for expenses of sale.

If you have a partner, capital belonging to your partner is treated as yours for the purposes of Council Tax Support

Capital outside the United Kingdom

If you have capital – in the form of liquid or fixed assets – outside this country, the council will need to know how soon it can be transferred and how much it is worth. If the capital cannot be brought into this country, enquiries will be made about how easily it can be sold, and whether a willing buyer can be found. If no willing buyer can be found, it may not be counted.

Capital for Working Age

The first £6,000 of capital is not counted. Capital over £6,000 up to £16,000 will be taken into account at £1 a week for each £250 (or part of £250) of capital over £6,000. Actual interest payments or dividends are not counted as income but as capital.

Capital for Pension Age

The first £10,000 of capital is not counted. Capital over £10,000 up to £16,000 will be taken into account at £1 a week for each £500 (or part of £500) of capital over £10,000. Actual interest payments or dividends are not counted as income but as capital.

For customers who receive the Guarantee Credit of Pension Credit there is no upper limit on the capital you can have.

For the Pension Age scheme if you have capital over £16,000, you may still be entitled to Second Adult Discount, as your income and savings are not taken into account. However, the actual income received from the second adult's capital will be taken into account.

Personal possessions

Personal possessions – for example, a car, furniture and fittings in your house, and family belongings – are usually not included in the calculation of capital. However, this may not be the case where the Council has good reason to believe that something has been bought to reduce your capital in order to gain or increase entitlement to benefit. If the council decides that you deliberately got rid of capital just so that you can get Council Tax Support, it may assume that you have notional capital to the value of the capital you disposed of.

If you own your home

The value of your property (including the house, garage and outbuildings) is not counted unless any part of the property could reasonably be sold off separately. Loans raised on the property will be counted as capital.

Property you own but do not occupy

The value of this property is counted as capital but you may be able to get HB/CTS even if the value of the property means that your savings are more than £16,000. This is because the value of the property may be ignored when your savings are worked out, in certain circumstances.

If the property is occupied by an elderly or disabled relative as their home, its value is not taken into account for as long as it is so occupied.

If you have recently acquired the property and you intend to occupy it as your home, its value may not be counted for 26 weeks, or for a longer period if reasonable, from the date you acquired it.

If you are trying to sell the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if you are finding it difficult to sell the property.

If you are carrying out essential repairs or alterations so that you can live in the property, its value may not be counted for a period of 26 weeks from the date you first arranged for repairs to be carried out. It may not be counted for longer than this if you are finding it difficult to finish the work.

If you are taking legal action so that you can live in the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if legal action is continuing and you cannot live in the property.

If you have left the property after the breakdown of a relationship, and it is occupied by your former partner, its value may not be counted for the first 26 weeks after you left. If the property is occupied by your former partner and they are a lone parent, the property will not be counted for as long as it continues to be so occupied.

Deposits on your accommodation

Sums that have to be deposited with a housing association as a condition of your tenancy are not counted.

Earmarked capital

If capital from the sale of a house is kept for a house purchase, it is not counted for up to six months, or longer if:

- major repairs or adaptations are needed for you to occupy your home; or
- the completion of the purchase of your new home is unavoidably delayed.

Compensation received for a burglary or for damage to or loss of a house is also not counted for six months, as long as it is to be used for repair or replacement

Valuation of property

Property will be valued at the price it would be expected to fetch on the open market, less any outstanding mortgage or legal charges on the property. Ten per cent of the current market value will also be deducted to take into account the cost of the sale.

If you have property outside Great Britain and there is no restriction on transferring money to this country, your property will be valued at its local sale value. If there is a restriction, its notional value will be the value of a sale to someone in the UK. In both cases, any outstanding legal charges on the property or mortgages will be deducted, together with 10% of the total to cover the cost of the sale.

National Savings Certificates

National Savings Certificates of the current issue are valued at purchase price. Certificates of a previous issue are valued as if they were purchased on the last day of that issue.

Life assurance policies

The surrender value of life assurance policies is not taken into account when assessing Council Tax Support.

Arrears of benefits

Any arrears of Disability Living Allowance, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, Working Tax Credit and Child Tax Credit that you get are not counted for up to 12 months.

Lump sum payment of deferred State Pension

The gross amount of lump sum, or an interim payment made on account of a final lump sum, paid at the end of the period of deferring State Pension will be disregarded as capital for the life of the recipient.

Compensation payments

For LCTS purposes, compensation payments will normally be counted in full as capital. Capital will not be counted if it is held in trust or by the 'Court of Protection' as a result of a personal injury payment – for example, a criminal injury payment or a vaccine damage payment. For persons of Pension Age compensation payments made as a result of personal injury are ignored whether or not placed in a trust.

Business assets

Business assets of a self-employed earner are not counted while engaged in that business. Nor are they counted in certain other circumstances, but any shares owned will be treated as capital.

Notional Capital

The council may think that there is capital which you could get but which you do not have. This is known as notional capital because you do not actually possess that capital.

- Capital you have disposed of - You will be treated as having notional capital if you have disposed of capital in order to get LCTS or to get more Council Tax Support.
- Capital you could have got - If you have the right to money held in a private trust, then that is actually your capital, and will be taken fully into account.

If the Council has decided to treat you as possessing notional capital they will reduce the amount of this capital on a regular basis by a set calculation. This calculation reduces your notional capital by the amount of support you have lost as a result of deprivation.

How LCTS is paid

If you are liable to pay the Council Tax, the Council will normally send you a Council Tax bill from which your LCTS has already been deducted. You will then have to pay only the reduced amount. This means that you will not actually receive any money, but your Council Tax bills will be reduced.

How you will be notified about your Council Tax Support

The Council will reach a decision on your entitlement to LCTS as soon as possible after our claim and all supporting evidence is received.

How can I appeal?

If you disagree with the decision you will need to write to the Council stating the reasons. The

council has two months to reply to you. If the Council agrees with your appeal then the LCTS will be amended and you will receive another Council Tax bill showing the revised amount.

If the council does not agree with your appeal or you do not receive a response within two months, you may appeal to the Valuation Tribunal. This is an independent tribunal who will hear your case (either in person or in writing). If the Valuation Tribunal agrees with you they will instruct the Council to amend your LCTS accordingly.

Throughout the appeal you will still be required to make payment of your Council Tax liability as determined by the Council.

Changes of circumstances

You must notify your Council immediately if there is a change in anything that might affect your right to or the amount of Council Tax Support.

This will include:

- where you live; or
- who you live with; or
- your income, savings and investments; or if you stop getting Pension Credit, Income Support, income-based Jobseeker's Allowance or Employment and Support Allowance; or
- if you get a job; or
- if you or your partner go into hospital; or
- if there is any other change in your circumstances which you might reasonably be expected to know might affect your right to Council Tax Support

The changes must be notified in writing although in certain circumstances the council may accept this by telephone or electronically

Most of these changes will affect your LCTS in the following support week, but changes in the amount of council tax payable will affect your LCTS from the day on which the change occurs.

Students

LCTS is not normally available for students. The exceptions are:

- vulnerable students, such as disabled students and lone parents;
- part-time students; and
- couples where one partner is not a student.

Students who are liable to pay the council tax may claim second adult discount (SAD) if they are of pension age.

Loan and grant income

The grant money you get is generally paid to cover the period you are studying. If it does not cover this period your council, or Student Awards Agency for Scotland, will tell you the period it does cover.

If you are eligible for a loan or have been awarded a grant the Council will assume that these amounts are paid, whether they are actually paid or not.

The money you receive in your loan is your income for the period between the beginning of September and the end of June and is divided by the number of weeks in that period to give a

weekly amount.

If you receive a dependants grant this will be taken into account over the same period as your loan unless you also receive, or only receive, a grant towards your personal maintenance.

Because much of your loan is meant for essential educational items, some of the grant is ignored when working out your income for Council Tax Support. The following elements of your loan or grant are not counted:

- tuition and examination fees;
- any disability allowance in your grant;
- the cost of term-time residential study away from your college;
- the Two Homes Grant – given when you have to maintain another home away from college;
- an allowance for books and equipment; and
- travel expenses.

Students and partners

Your grant may have been reduced to allow for your partner's income because your partner can make a contribution to your expenses. An amount – equal to that contribution – is then ignored when the council works out your joint income for Council Tax Support. If a student is required to contribute to his own grant income, an equivalent amount is disregarded from the income used to assess that contribution.

Other income

Will be treated in the same way as grant income if it is intended for expenditure that is needed on the course. If the income is not intended for expenditure on the course, it is treated under the normal rules for income.

Loans from the Student Loans Company

The maximum loan available to you will be taken into account regardless of whether you have borrowed up to your limit or not. The loan will be divided by the number of weeks between the beginning of September and the end of June to arrive at a weekly figure for assessment purposes. Up to £10 a week of the loan may be ignored.

Access funds

These are discretionary payments made by educational establishments to students who are facing financial hardship.

The amount of the payment to be taken into account will depend on how it is to be paid and what the payment is for. Some payments from the funds can be disregarded in full.

Information and information sharing

The Council will use information provided by the Department of Work and Pension and Her Majesty's Revenues and Customs for the purposes of council tax support, council tax liability, billing, administration and enforcement

The Council may receive and obtain information and evidence relating to claims for Council Tax Support, the council may receive or obtain the information or evidence from–

- a. persons making claims for council tax support;
- b. other persons in connection with such claims;
- c. other local authorities; or
- d. central government departments including the DWP and HMRC

The Council may verify relevant information supplied to, or obtained for LCTS purposes.

Counter Fraud and Compliance

In order to protect the finances of the Council and also in the interests of all Council Taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council Tax Support;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases