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CABINET

14 NOVEMBER 2025

REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

A.5 THE LOCAL COUNCIL TAX SUPPORT SCHEME, DISCRETIONARY COUNCIL TAX EXEMPTIONS / DISCOUNTS / PREMIUMS FOR 2026/27 AND ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT 2026/27

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To enable Cabinet to consider and agree for recommending to Full Council the following: • Local Council Tax Support Scheme 2026/27 • Exceptional Hardship Policy • Discretionary Council Tax Exemptions, Discounts and Premiums for 2026/27 • Annual MRP Policy Statement for 2026/27

EXECUTIVE SUMMARY
• This report outlines the proposed Local Council Tax Support (LCTS) scheme and council tax exemptions, discounts and premiums for 2026/27. • In terms of the LCTS scheme, it is proposed to continue with the principle of providing financial stability wherever possible to Tendring residents. • It is therefore proposed to keep the 2026/27 LCTS scheme the same as this year, which provides for a maximum discount of 80% for working age claimants. • The associated exceptional hardship policy has also been subject to annual review and it is not proposed to make any changes from the scheme operating this year and so remains available to support eligible claimants in 2026/27. • In respect of existing discretionary council tax discounts, exemptions and premiums (including discounts for young people leaving care), it is not proposed to make any changes for 2026/27, with the same levels applying as in 2025/26. • In respect of existing council tax premiums on long term empty properties, it is not proposed to make any changes for 2026/27, with the same levels applying as in 2025/26. • In respect of the existing council tax premium of 100% on properties used as a second home, it is not proposed to make any changes for 2026/27, with the same levels applying as in 2025/26. • As part of the extension to council tax premiums on long term empty properties and the introduction of council tax premiums on second homes last year, the Government stated that their intention was not to penalise property owners where they are making genuine

efforts to make use of their properties. The Government therefore introduced mandatory exceptions where the council tax premium on long term empty properties and/or second homes is not chargeable, and these remain in place for 2026/27.

- The Annual Minimum Revenue Provision Policy Statement has also been reviewed for 2026/27, and no changes are proposed to the existing approach adopted from 2025/26.

- If it is agreed that no changes are necessary to the proposed LCTS scheme, there will be no need for public consultation. However, if any amendments are proposed and approved at Full Council in November 2025, then public consultation will be required before the final scheme can be agreed and adopted. Consequently, if consultation is required, this Council will have to notify the precepting authorities that the final council tax base will be delayed and not available until late in the budget cycle.

- Given the recommendation to continue with the existing LCTS scheme, it is not proposed to formally refer it to the Resources and Services Overview and Scrutiny Committee, but it will be considered by Full Council on 25 November 2025.

RECOMMENDATION(S)

It is recommended:

a) That Cabinet agrees that the LCTS scheme for 2026/27 remains the same as the current year, as set out as Appendix A and recommends to full Council:

i) that the LCTS set out as Appendix A be approved with the maximum LCTS award being 80% for working age claimants;

ii) that subject to a)i) above, delegation be given to the Corporate Director Finance and IT in consultation with the Finance and Governance Portfolio Holder to undertake the necessary steps to implement the LCTS scheme from 1 April 2026;

b) that Cabinet agrees the Council Tax Exceptional Hardship Policy as set out in Appendix B;

c) that Cabinet agrees the discretionary Council Tax exemptions, discounts and premiums for 2026/27 as set out in the appendices and recommends to full Council:

i) that the locally determined council tax discounts as set out in Appendix C be approved;

ii) that the council tax discount policy for young people leaving care as set out in Appendix D be approved;

iii) that the discretionary council tax premiums set out in Appendix E be approved;

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iv) that subject to c) above, delegation be given to the Corporate Director Finance and IT in consultation with the Finance and Governance Portfolio Holder to undertake the necessary steps to implement the council tax exemptions, discounts and premiums from 1 April 2026; and

d) that Cabinet recommends to Council that the Annual Minimum Revenue Provision (MRP) Policy Statement for 2026/27 as set out in Appendix F be approved.

REASON(S) FOR THE RECOMMENDATION(S)
To enable the implementation of an LCTS Scheme in 2026/27 along with the required council tax discounts, exemptions and premiums and an MRP Policy Statement.

ALTERNATIVE OPTIONS CONSIDERED
Considerations relating to the implementation of the various elements included within the recommendations above are set out within the main body of this report

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
In developing a local scheme, the Council must be mindful of their duties to vulnerable groups, and Council Taxpayers set against the Council's overall financial position.

OUTCOME OF CONSULTATION AND ENGAGEMENT
Not applicable at this stage as no amendments to the LCTS scheme for 2026/27 are currently being proposed.

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
Is the recommendation a Key Decision (see the criteria stated here)	**Yes**	**If Yes, indicate which by which criteria it is a Key Decision**	☐ **Significant effect on two or more wards** X **Involves £100,000 expenditure/income** ☐ **Is otherwise significant for the service budget**
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.
The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) and The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 provide the basis for the design and implementation of Local Council Tax Support Schemes.			

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In respect of the Council Tax Exceptional Hardship Policy, S13a of the Local Government Finance Act 1992 allows Councils to reduce the amount of Council Tax payable. The same legislation would also enable the Council to provide a council tax discount for young people leaving care.

The Local Government Finance Act 1992. Schedule 1A of the 1992 Act states that if a LCTS is revised or replaced, full consultation is required. As the recommendation is to continue with the current scheme for 2026/27, consultation is not required. However, should Council make any amendments to the scheme, consultation will be necessary before the scheme can be approved and adopted.

The Local Government Finance Act 1992 (as amended) sets out relevant council tax exemptions and discounts (mandatory and discretionary). The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended) sets out the various class of properties for the purpose of exemptions and discounts. Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 amended the Local Government Finance Act 1992 in respect of the Council Tax premiums that can be charged on long term empty properties (unoccupied for at least 1 year). The Local Government Finance Act 1992 was further amended by the Levelling Up and Regeneration Act 2023, which also makes provision for Council Tax premiums that can be charged on properties occupied periodically ('second homes'). A summary of the premiums chargeable are as follows:

Long Term Empty Properties:

- For properties unoccupied and unfurnished for 1 year but less than 5 years – a maximum council tax premium of 100%.

- For properties unoccupied and unfurnished for 5 years but less than 10 years – a maximum council tax premium of 200%.

- For properties unoccupied and unfurnished for over 10 years – a maximum council tax premium of 300%.

Properties Occupied Periodically:

- A maximum council tax premium of 100%.

For the purposes of defining a long-term empty dwelling, on any day for a continuous period of at least 1 year if it has been unoccupied, and has been substantially unfurnished.

The Government may by regulation prescribe one or more classes of dwelling in relation to which a billing authority may not charge a premium. As part of their earlier decision-making processes, the Government stated that if such exceptions were delivered through non-statutory guidance, this may lead to inconsistency across England in the application of the premiums. Billing authorities would therefore be able to depart from guidance. Billing authorities have discretionary powers under section 13A of the 1992 Act to reduce council tax liability, however as these powers are discretionary, billing authorities may use them differently in different areas. For example, a certain class of dwelling in one area might be excluded from the premium in one area but treated differently in another area. Whilst billing authorities retain discretion over how they treat dwellings for premiums and discounts, the Government considered (following consultation) that certain statutory exceptions should apply across England. Separately,

prescribing exceptions to the premium does not prevent local authorities from using their discretionary powers to reduce the additional council tax liability resulting from a premium. E.g., councils may have applied discretionary reductions in council tax liability which are more generous than the prescribed exceptions. Whilst this could result in local authorities taking different decisions, the legislative approach ensures that the baseline exceptions in the prescribed classes will be apply across England.

Based on the above, the following mandatory exceptions are reflected in The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024, which cover both long-term empty properties and second homes as appropriate:

- In respect of the second homes premium – Class E and F *(dwellings that would otherwise be the sole or main residence of a member of the armed services, who is provided with a dwelling as a result of such service and a dwelling that forms part of single property that is being treated by a resident of that property as part of the main dwelling)*

- The following exception classes that relate to both the long-term empty homes and second homes premium:

    a. Dwellings that are being marketed for sale, unless it has been such a dwelling for a period of one year or more. (Dwelling Class G)
    b. Dwellings that are being market for rent, unless it has been such a dwelling for a period of one year or more (Dwelling Class H)
    c. dwellings which have fallen in Class F of the Exempt Dwellings Order and have undergone probate (for a period of up to 12 months after the grant of probate). (Dwelling Class I)

- The following exception classes that relate to just the second homes premium:

    a. Dwellings that are periodically occupied in certain job-related circumstances (Dwelling Class J)
    b. Pitch occupied by a caravan, or a mooring occupied by a boat (Dwelling Class K)
    c. Dwellings where a planning condition prevents permanent occupancy (Dwelling Class L)

- The following exception classes that relate to just the long-term empty homes premium:

    a. Vacant dwellings that require or are undergoing major repair work to make them habitable, or are undergoing structural alterations (12 months limit). (Dwelling Class M)

The above are made under Section 11B and 11D of the 1992 Act which enables the Secretary of State to prescribe classes of dwellings to which the premiums would not apply. These exceptions are separate from the existing council tax exemptions under which certain dwellings are entirely exempt from council tax. The regulations took effect from November 2024, and the exceptions apply to premiums charged by billing authorities from 1 April 2025.

Consequential amendments to the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 have also been made to ensure that the second homes premium

is taken into account in the administration of council tax and calculations made by local authorities in setting their local council tax.

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) set out the requirements of a Minimum Revenue Provision (MRP) Policy Statement which must be approved by Council each year. In calculating a prudent MRP provision, local authorities are required to have regard to guidance issued by the Secretary of State. Revised guidance was issued under section 21(1A) of the Local Government Act 2003 in April 2024, which is applicable from 1 April 2025. The proposed MRP policy statement continues to reflect this latest guidance.

Local authorities may choose to pay more MRP than they consider prudent in any given year. If they do so they should separately disclose the in-year and cumulative amount of MRP overpaid in the statement presented to full council. There are no plans to do so in 2026/27 which is confirmed within the attached statement.

Local authorities can also vary the methodologies that they use to make prudent provision during the year. If they do so they should present a revised MRP statement to the next full Council or equivalent. Where a change in MRP methodology would impact on the value for money assessment of non-financial investments, the updated statement should summarise this impact.

Yes	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no further comments over and above those set out elsewhere in this report.

FINANCE AND OTHER RESOURCE IMPLICATIONS

LCTS scheme for 2026/27

As at the beginning of October 2025, the total estimated annual 'cost' of the LCTS scheme in 2025/26 is **£12,607m,** which is broadly in-line with the 'base' position budgeted for the year. Approximately 10% of this amount (**£1.260m**) falls to TDC with the remainder being met by the major preceptors. It is also worth highlighting that for every 5% decrease / increase in the discount the Council would gain / lose approximately **£50,000** to **£100,000** per year.

As the LCTS scheme is accounted for as a discount against the full council tax amount that would otherwise be payable on a domestic property, the estimated cost of the scheme forms part of the council tax property base calculations that are undertaken when developing the following year's budget. This will therefore be considered as part of the budget setting work currently underway for 2026/27, but it is important to highlight that it is proposed to continue with the underlying principle of not planning to reduce the discount rate as part of balancing the forecast, as the scheme remains an important mechanism to provide financial support to Tendring residents.

Council Tax Hardship Scheme

The cost of the exceptional hardship scheme is met by contributions from TDC and the major preceptors based on their respective proportion of the overall council tax bill. Therefore, TDC is required to meet approximately 10% of the cost of any award up to an annual aggregate total, which for 2025/26 is **£52,484.** For any awards over and above this annual amount, 100% of the cost is met by TDC.

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The total current hardship budget in 2025/26 is **£456,600,** which consists of the underlying budget highlighted above, in addition to Government grant funding carried forward from prior years. Support to households will therefore continue to be made available via the hardship scheme and associated application process.

As no changes are proposed to either the LCTS Scheme or Hardship Policy in 2026/27, no unavoidable / additional underlying costs over and above those included within existing budgets or forecast are expected.

The Council Tax Collection fund continues to operate whereby any changes against the budget during the year will be 'rolled' forward and included in the following year's budget setting process.

Council tax exemptions, discounts and premiums for 2026/27
Similarly to the position for the LCTS Scheme above, as no changes are proposed to existing council tax discounts for 2026/27, including the policy for young people leaving care, no adjustments to the budget / forecast are expected.

In respect of the support to young people leaving care, the cost of the scheme remains relatively minimal, which is highlighted by the position at the end of September 2025 where the total cost was **£3,076.** The cost of this scheme can therefore continue to be accommodated within the wider calculation of the council tax base, each year.

Long Term Empty Property Premium
As highlighted in previous years, logically charging a 'premium' on long term empty properties would result in additional income being achieved. However, the intention of charging a 'premium' is to bring empty properties back into use following which the 'premium' would no longer be levied, the ultimate success of such an approach would therefore mean that no additional income would be realised. It is accepted that some homeowners choose not to bring their properties back into use even when a 'premium' is charged, but it is difficult to quantify this figure. It is therefore recognised that some property owners will accept paying the premium rather than taking an alternative option and additional income is therefore likely to be receivable. This will form part of the more detailed council tax setting and collection fund activities that are undertaken during the year.

However, a summary as at the end of September 2025 is as follows:

Empty Period 'Banding'	**Premium Due**	**Number of Properties Affected at the end of September last year**	**Number of Properties Affected at the end of September this year**
1 to 5 Years	100%	391	479
5 to 10 Years	200%	37	51
Over 10 Years	300%	17	14
		445	**544**

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Although the comparison to last year will reflect properties moving between 'bandings', the totals show an overall increase. The increase primarily relates to the 1 to 5 years band, which is likely to reflect those properties that are newly attracting a premium as they have been empty for more than one year. It is therefore reasonable to assume that there could be a potential 'time-lag' / 'churn' relating to when properties may be brought back into use following the property owners deciding to review their situation and responding accordingly once a premium becomes chargeable. The figures also undoubtedly reflects property owners that accept paying a council tax premium rather than bringing their property back into use. The Council has no local discretion on the 'bandings' applied and is already charging the maximum percentages permitted.

The premium will also be chargeable to relevant properties within the HRA. Work remains on-going to manage the level of long-term housing voids and any impact to the HRA from council tax premiums, which will continue to be considered as part of the wider HRA Business Planning Process.

Second Homes Premium

Similarly to long term empty property premiums, the decision to introduce a premium on second homes is aimed at incentivising alternative use of properties, so no additional income may be realised. However, it is acknowledged that some property owners will accept paying the premium rather than taking an alternative option and additional income is therefore likely to be receivable. This will form part of the more detailed council tax setting and collection fund activities that are undertaken during the year.

There has been a steady decline month by month since 1 April 2025 in the number of properties which are classed as a 'second home' indicating that there has been a shift in behaviour, which has resulted in more properties being brought back into use for occupation as someone's sole or main residence and therefore supports this Council's decision to adopt the Governments amendment to the Regulations allowing Local Authorities discretion to apply the premium. Based on the current position the number of properties where a second home council tax premium is chargeable is 909, a reduction of 138 since the 1 April 2025.

Minimum Revenue Provision Policy Statement (MRP)

In respect of the annual MRP policy statement, this sets out how the Council will make provision for the repayment of debt taken out to finance capital investment. For the General Fund, the MRP is a direct charge on the revenue budget. At present no MRP over and above the amount of principal being repaid is calculated for Housing Revenue Account capital investment, although future provision will be considered within the wider business planning process.

There are no changes to the Council's approach to calculating MRP and therefore, apart from any underlying change to the MRP calculation due to a change in the Capital Financing Requirement, there is no significant financial impact in 2026/27. The Council's current estimated General Fund Capital Financing Requirement as set out within the Annual Capital and Treasury Strategy that was presented to Full Council in May is summarised as follows:

2025/26	2026/27	2027/28
£4.515m	£4.356m	£4.182m

The estimated General Fund MRP charge in 2025/26 based on the most up to date Capital Financing Requirement is **£0.295m.**

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Yes	**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**
The Section 151 Officer is the author of this report.	

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in the body of the report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

The decisions set out in this report are required to be made in advance of the Final Budget Proposals being considered by Cabinet / Full Council in early 2026. This enables the associated calculations that support the council tax base and budget to be completed, which also need to be communicated to the Preceptors in a timely way so they can be reflected in their own budget setting processes.

ASSOCIATED RISKS AND MITIGATION

The LCTS Scheme affects low income working age families, and therefore a key risk is their ability to pay if the level of support awarded reduced which would have a knock on impact on the overall collection rate.

The annual review process therefore seeks to balance such issues along with the Council's overall financial position and as highlighted elsewhere within this report, it is not proposed to make any amendments to the LCTS scheme in 2026/27, which therefore remains unchanged to support local households / residents.

EQUALITY IMPLICATIONS

These form part of the wider considerations and discussions elsewhere within this report.

However, the LCTS scheme set out elsewhere within this report will not disproportionately 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; The Child Poverty Act 2010
- Disabled in receipt of Disability Living Allowance (DLA) / Employment and Support Allowance (ESA)/Personal Independence Payment(PIP); The Equality Act 2010
- War widows/disabled. The Armed Forces Covenant 2011

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The application of discounts and premiums are relevant to all properties across the District and it is considered that there are no equality and diversity implications specific to this issue.

It is also important to highlight that the Government have acknowledged that there may be circumstances where it may not be appropriate to charge a council tax premium and a number of exceptions that they introduced in 2025/26 remain in place for 2026/27.

SOCIAL VALUE CONSIDERATIONS

These form part of the considerations and discussions elsewhere within this report as necessary.

IMPLICATIONS RELATED TO DEVOLUTION AND / OR LOCAL GOVERNMENT REORGANISATION

Although there are no direct implications in terms of the proposals set out within this report relating to 2026/27, it is expected that working towards aligning policies and practices will be a key strand of work associated with progressing the various LGR actions and activities over the next two years.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

There are not direct implications associated with this report.

OTHER RELEVANT CONSIDERATIONS OR 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	There are no direct implications associated with this report.
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

PROPOSED LCTS AND COUNCIL TAX HARDSHIP SCHEMES 2026/27

There are two parts to the LCTS scheme;

- one for pension age claimants where 100% support is provided
- one for working age claimants.

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

Authorities must adopt a scheme on an annual basis, which must be agreed by 31 January each year for the subsequent year's scheme.

LCTS is treated as a discount within the council tax calculations, which means that the Council's taxbase is reduced (as will the taxbase for County, Fire and Police and Parishes).

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The LCTS is therefore an annual 'cost' met within the Council's overall financial position / budget each year. Any increase in the discount would therefore be treated as a cost pressure and conversely, any reduction in the level of discount would reduce the Council's net costs. However, the level of discount given is not primarily a financial decision as one of the primary drivers is the level of financial support that the scheme provides to households across the district, which in turn needs to be considered in the wider demographic / economic position for the area.

The Council recognises the on-going impact on residents from welfare reforms and cost of living challenges, so it is proposed to maintain the maximum discount at 80% for working age claimants. In terms of the overall scheme, no changes are proposed with the scheme remaining the same as 2025/26 - the scheme for 2026/27 is set out as **Appendix A.**

As part of previous year's decision making, the potential exploration of alternative options in terms of the underlying design of the scheme was discussed, with one such option based on a 'banding' approach. It is understood that some local authorities have adopted such an approach, which will inherently create 'winners' and 'losers' in terms of the financial support awarded. The Council's current scheme continues to be based on a means tested approach, which although likely to be more administratively burdensome and potentially duplicate effort for prospective claimants who may have to provide the same information to the DWP if claiming other financial support, it is felt that it provides the basis for a potentially fairer system.

Notwithstanding the above, such alternative approaches will be kept under review, especially as part of the work associated with LGR highlighted earlier, but the current means tested approach is proposed to continue for 2026/27.

For information, statistics relating to the LCTS scheme in 2025/26 are set out below:

As at the end of September 2025:

There are currently 11,370 household receiving LCTS.

The total working age households receiving support is 5657.

The total pensioner households receiving support is 5713.

Council Tax Hardship Scheme
The Council has operated a council tax exceptional hardship policy since the inception of the LCTS scheme.

As highlighted during previous reviews of the policy, as with any exceptional hardship scheme, it is difficult to define exceptional hardship or descriptive criteria that will apply, as there may be a number of variables to consider when an application is made. However, the policy continues to set out broad guidelines, which promotes transparency and openness in the Council's decision making processes. The policy also has a focus on 'reasonable' expenditure and affordability for the claimant and is based on evidence that they are also being proactive themselves in managing the situation. This mirrors the same approach that continues to be applied to discretionary housing payments where in consultation with the

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Department for Works and Pensions, support is focused on those claimants who are seeking employment for example.

The policy continues to highlight that a senior officer will review all decisions to demonstrate fairness and consistency to the application process.

It is not proposed to amend the existing scheme for 2026/27.

PROPOSED COUNCIL TAX DISCOUNTS, EXEMPTIONS AND PREMIUMS 2026/27

Discounts and Exemptions

There are a number of mandatory exemptions and discounts available, with only a limited number of classes of dwelling where there is local discretion - these relate to 4 classes of unoccupied dwelling and for 2026/27 it is proposed to keep the level of discount at the same level as 2025/26 as set out in **Appendix C.**

As was the case last year, by leaving the current level of discounts / exemptions unchanged it supports the stability of the council tax base, which is one of the Council's core income streams within the forecast.

Council tax income raised following the impact of the locally determined discounts also has the additional benefit of increasing the contribution receivable from the major preceptors, with the current tax sharing agreement potentially continuing in 2026/27, which is based on total council tax income collectable.

A council tax policy was introduced in 2022/23 to support young people leaving care. It is proposed to continue with an unchanged policy going into 2026/27, which is set out in **Appendix D**.

Premium on Long Term Empty Properties

As a key driver to bring empty properties back into use, the Government allows Local Authorities to levy a council tax 'premium' on long term empty properties and is currently applied across 3 'bands' based on the length of time the property has been unoccupied for. The Government sets a maximum 'premium' that can be charged against each of the 3 'bands', with the highest amount being 300% for a property that has been empty for over 10 years.

The existing chargeable premiums are set out in **Appendix E** and it is proposed that these remain unchanged for 2026/27.

Premium on Second Homes (Properties Occupied Periodically)

A council tax premium of 100% on second homes was introduced by the Council from 1 April 2025.

As part of the Government's introduction of the associated legislation that allows Council's to levy such a premium, they recognised the impact that second homes can have on communities, particularly where a significant proportion of properties are not occupied all year round. Large numbers of such properties can contribute to housing supply pressures and risk the sustainability of local services e.g. large concentrations of second homes reduce

the size of the permanent population, which can lead to unfavourable impacts on the local economy / local services.

In terms of second homes (and long-term empty properties) the Government introduced the necessary regulations that recognised that the premiums were not intended to penalise owners who were making a genuine effort to make use of the properties, with a number of mandatory exceptions introduced.

Following the introduction of the second homes premium in 2025/26 there has only been a limited level of feedback regarding its introduction, with the main issues raised being:

- that they stay at their properties for significant parts of the year and therefore contribute to the local area and that the introduction of a second home premium is not justified on this basis.
- that due to the current unstable market, properties were more difficult to sell within the 12-month exception to achieve their market value.
- properties with restrictions such as those available to 'over 60's' have a smaller market audience to sell to.

Although the above points are appreciated, the Government's introduction of mandatory exceptions were designed to provide a level of reasonable support that broadly addresses the points raised and therefore it is not proposed to extend these exceptions at a local level.

It is also important to highlight the Council's policy background behind the introduction of a second homes premium from 1 April 2025. Amongst a number of existing strategies / policies, the Council's Housing Strategy and Economic Strategy are key documents with some key elements as follows:

- The identification of housing need and demand within the district.
- Strategic priorities including delivering the type and quality of housing the district needs, which meets the aspirations of residents and promotes economic growth in the district.
- Making the best use of and improving existing housing within the district.
- Recognising the link between population and economic growth in Tendring.
- Increases in population and housing support a stronger labour market and increased local spending

As highlighted earlier, there has been a significant reduction in the number of second homes in the district following the introduction of the second homes premium from 1 April 2025, which therefore supports and makes a valuable and on-going contribution to the above priorities and aspirations.

The existing chargeable premium is set out in **Appendix E** and it is proposed it remains unchanged for 2026/27.

Other Considerations

As highlighted in previous years, the Council does from time to time receive other general feedback from residents or other third parties in terms of council tax discounts and premiums.

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Apart from the feedback highlighted above regarding the introduction of a council tax premium on second homes, no other relevant / significant issues have been received.

Annual Minimum Revenue Provision Policy Statement (AMRP)
Attached as **Appendix F** is the proposed Annual MRP policy statement for 2026/27 that sets out how assets funded by borrowing are accounted for, which is required to be approved by Full Council each year. The policy sets out how the Council will make provision for the eventual repayment of any borrowing undertaken to finance capital expenditure. A number of changes were made to the policy last year to reflect updated Government guidance. There are no additional changes required this year with the policy therefore remaining unchanged from that agreed for 2025/26. The timing of approval of the MRP is to enable it to be taken into account when setting the budget for 2026/27 over the coming months.

PREVIOUS RELEVANT DECISIONS
The Local Council Tax Support Scheme, Discretionary Council Tax Exemptions / Discounts / Premiums for 2025/26 and Annual Minimum Revenue Provision Policy Statement 2025/26 Report – Item A.2 Full Council 26 November 2024
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

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Tendring District Council

Local Council Tax Support Scheme (LCTS) 2026/27

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

Tendring District Council

Local Council Tax Support (**LCTS**)

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Introduction

As part of the major changes to the Welfare Benefits system, from 1st April 2013 Council Tax Benefit ended and was 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 is 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 previous national scheme (Council Tax Benefit).

Central Government has decided to protect pensioners (persons who are of an age where they can claim pension credit) therefore if you are a pensioner, 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 previous 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 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 A

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 on Maximum Universal Credit or 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), Maximum Universal Credit or Employment and Support Allowance (income related); and
f. have made a valid claim for support.

Class B

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 Maximum Universal Credit 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 who's *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 A, including that their *income* is less than their *applicable amounts,* that person qualifies for a reduction on their council tax liability. The Council has decided that for 2026/27, 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 B, it will mean the person's *income* is greater than their *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 2026/27, the maximum 6 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:-

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

The LCTS 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 A

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, on Maximum Universal Credit 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 B

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, on Maximum Universal Credit 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 claim for the scheme; and
f. have assessed income above the set living allowances (applicable amounts) set by Central Government

Class C

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, on Maximum Universal Credit 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 claim for the 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 A, 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 B, 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 a person in Class C 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

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.

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.

Tendring District Council

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 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.

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 LCTS.

Extended Payments

This is 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 are 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/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 have been getting one of the following benefits:

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

and

- you have 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 will 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 LCTS. 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 £10,000 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. However 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, please 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 via the Tendring District Council website at www.tendringdc.gov.uk or via 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 LCTS, 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 LCTS. 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 LCTS, 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 LCTS, 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 Council 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 LCTS. 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 LCTS

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 Council within one month of the claim form being issued.

If you change your address

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

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 Council Tax and become entitled to support because you have less money or your applicable amount changes, you also start getting support 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 Council Tax.

If you notify the Council of the change, either before, or in, the week that your partner becomes jointly and severally liable, support 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 LCTS

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, on Maximum Universal Credit or income related Employment and Support Allowance, you must tell the Council and they will have to stop your LCTS. 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-dependants 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, on Maximum Universal Credit 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 LCTS 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 is aged 65 or more and a non-dependant moves into your home, or the non-dependant's circumstances change to increase the deduction.

Working out the amount of LCTS

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 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.

Tendring District Council

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 LCTS

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

If you do not get Pension Credit Guarantee, income Support, income-based JSA, maximum Universal Credit 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 LCTS, 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 LCTS 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 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 LCTS

(a)	Where the second adult or all second adults are in receipt of income support, maximum Universal Credit, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	25 per cent of the Council Tax due in respect of that day;
(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 maximum Universal Credit, an income- related employment and support allowance, state pension credit or an income-based jobseeker's allowance	Gross Income is less than £276.00 per week; 15 per cent of the Council Tax due in respect of that day; Gross Income is not less than £276.00 per week but less than £358.00 per week; 7.5 per cent of the Council Tax due in respect of that day; *(Above are 2025 rates which will be subject to a 2026 uplift by the Govt.)*
(c)	If the dwelling is occupied by a second adult/adults on state pension-credit, income-related jobseeker's allowance, maximum Universal Credit, 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 (see "Living Allowances or Applicable Amounts" below)

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 (see "Living Allowances or Applicable Amounts" below)

In this case you will get an amount less than your maximum LCTS. 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 LCTS

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 the 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 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/Personal Independence Payment.

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
- Personal Independence Payment.
- 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, Personal Independence Payment, 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, Personal Independence Payment, 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, Personal Independence Payment, Attendance Allowance (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, Personal Independence Payment 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), Enhanced component of Personal Independence Payment or where the claimant is in receipt of Employment and Support Allowance Support Component. This premium will remain in payment if the DLA/PIP 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/Enhanced component of Personal Independence Payment;
- a rate for a single person who receives the highest rate of DLA/Enhanced component of Personal Independence Payment;
- a rate for couples where at least one member of the couple receives the highest rate of DLA/Enhanced component of Personal Independence Payment.

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 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.

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

Income from employment
This explains what counts as your income from work you do, as an employee, 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.

Tendring District Council

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 LCTS

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. The Council will apply a minimum income floor calculation in such cases where the declared income is less than an amount determined as appropriate for the type of business.

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 LCTS 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 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
- a 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 LCTS.

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 LCTS:

- 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 LCTS:

- 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)/ Personal Independence Payment (PIP);
- 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);
- 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)
- Payment(s) made via regulations or other means, that the Government instructs the Council to disregard during the year

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 LCTS

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 disposed of capital just so that you can get LCTS, 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 LCTS 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 mortgage or legal charges 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 LCTS.

Arrears of benefits
Any arrears of Disability Living Allowance, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, Personal Independence Payment, Universal Credit, 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 LCTS.

- 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 LCTS

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 LCTS.

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, Universal Credit 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 LCTS

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 the 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 dependant's 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 LCTS. 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 LCTS. 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
This 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 LCTS, council tax liability, billing, administration and enforcement

The Council may receive and obtain information and evidence relating to claims for LCTS from–

a. persons making claims for LCTS;
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 LCTS;
b. Carry out investigations fairly, professionally and in accordance with the law; and
c. Ensure that sanctions are applied in appropriate cases.

Localised Support for Council Tax

Exceptional Hardship Policy

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1.0 Background

1.1 An Exceptional Hardship Fund (EHF) has been set up by the Council to assist Council Tax payers who are facing 'exceptional hardship'. Although it is envisaged that the majority of recipients will be in receipt of local council tax support (LCTS), in exceptional circumstances, applications will also be considered from council tax payers who do not qualify for LCTS.

1.2 The main features of the fund are as follows:

- The operation of the Fund will be at the total discretion of the Council;
- The Fund will be operated by the Revenues and Benefits section of the Council;
- There is no statutory right to payments from the fund although the Council will consider all applications received;
- Exceptional Hardship Fund payments are not payments of Council Tax Support (as defined within S13a of the Local Government Finance Act 1992);
- Exceptional Hardship Fund payments will only be available from 1st April 2013 and **will not be available for any other debt other than outstanding Council Tax**;
- Where an Exceptional Hardship Payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested;
- Exceptional Hardship Payments are designed as a short-term help to the applicant and it is expected that payments will be made for a short term only to give applicants time to explore sustainable / alternative solutions; and
- All applicants will be expected to engage with the Council and undertake the application process.

2.0 Exceptional Hardship Fund and Equalities

2.1 The creation of an Exceptional Hardship Fund facility meets the Council's obligations under the Equality Act 2010.

2.2 This policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted that the Exceptional Hardship Fund is intended to help in cases of **extreme** financial hardship and not to support a lifestyle or lifestyle choice. Whilst the definition 'Exceptional Hardship' is not exactly defined by this policy, it is accepted that sudden or unexpected changes to individual circumstances may cause temporary financial hardship with any support made under this policy being at the total discretion of the Council. However exceptional hardship should be considered as 'hardship beyond that which would normally be suffered'

3.0 Purpose of this policy

3.1 The purpose of this policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an Exceptional Hardship Fund payment can be made.

3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in gaining accessibility to the Fund and also in respect of the decisions made on each application.

4.0 The Exceptional Hardship Fund Process

4.1 As part of the process of applying for additional support from the Exceptional Hardship Fund, all applicants must be willing to undertake **all** of the following:

- Make a separate application for assistance;
- Provide full details of their income and expenditure;
- Accept assistance from either the Council or third parties such as the CAT or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure;
- Identify potential changes in payment methods and arrangements to assist the applicant;
- Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
- Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- Where applicable, explain actions they are currently exploring to find a sustainable response to their current circumstance if it is expected that exceptional hardship may continue for a longer period of time.

4.2 Through the operation of this policy the Council will look to

- Support those in exceptional hardship;
- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to "bridge the gap" during this time, whilst the applicant seeks alternative solutions;
- Enable long term support to households in managing their finances;
- Help applicants through personal crises and difficult events that affect their finances;
- Help those applicants who are trying to help themselves financially; and
- Encourage and support people to obtain and sustain employment.

4.3 It cannot be awarded for the following circumstances:

- Where full Council Tax liability is being met by Council Tax Support;
- For any other reason, other than to temporarily reduce Council Tax liability;

- Where the Council considers that there are unnecessary expenses/debts etc. and that the applicant has not taken reasonable steps to reduce these;
- To pay for any overpayment of Council Tax Support caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly;

5.0 Awarding an Exceptional Hardship Fund Payment

5.1 The Council will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be up to a maximum of the amount of Council Tax outstanding, with each decision being reviewed by a senior manager to demonstrate fairness and consistency.

5.2 When making this decision the Council will consider:

- Whether the applicant has engaged with the Exceptional Hardship Payment process;
- All capital, income received & expenditure of the applicant, their partner and any member of their household irrespective of whether the income is included or not as household income under the Council Tax Support scheme
- How **reasonable** expenditure exceeds income;
- The difficulty experienced by the applicant that prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will last.
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants and any other occupants of the applicant's home;
- Other debts outstanding for the applicant and their partner;
- The exceptional nature of the applicant and/or their family's circumstances that impact on finances;
- The length of time they have lived in the property; and
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent;

5.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

5.4 An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

6.0 Publicity

6.1 The Council will make a copy of this policy available for inspection and will be published on the Council's website.

7.0 Claiming an Exceptional Hardship Fund payment

7.1 An applicant must make a claim for an Exceptional Hardship Fund award by submitting an application to the Council, preferably via email to benefitsmail@tendringdc.gov.uk.

7.2 If it is not possible to make a claim via email or if any further help is required, assistance is available at the Council Tax Office, Pier Avenue, Clacton.

7.3 Where the Revenues and Benefits Service identify a household that is failing to clear previous years Council Tax but are paying current Council Tax with best endeavours, then their ability to pay arrears maybe considered for help through the hardship fund. This clause is not intended to cover those taxpayers who have not paid or have failed to pay until a summons has been issued.

7.4 In most cases the person who claims the Exceptional Hardship Fund award will be the person liable to pay Council Tax, however, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8.0 Changes in circumstances

8.1 The Council may revise an award from the Exceptional Hardship Fund where the applicant's circumstances have changed.

9.0 Duties of the applicant and the applicant's household

9.1 A person claiming an Exceptional Hardship Fund payment is required to:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim.

10.0 The award and duration of an Exceptional Hardship Payment

10.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim.

10.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.

11.0 Award of the Exceptional Hardship Fund payment

11.0 Any Exceptional Hardship Fund payment will be made direct onto the customer's Council Tax account, thereby reducing the amount of Council Tax payable.

12.0 Overpaid Exceptional Hardship Fund Payments

12.1 Overpaid Exceptional Hardship Fund payments will generally be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

13.0 Notification of an award

13.1 The Council will notify the outcome of each application for Exceptional Hardship Fund payments in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.

14.0 Appeals

14.1 Exceptional Hardship Fund payments are not part of Council Tax Support, and are therefore not subject to the statutory appeal process.

14.2 If the applicant is not satisfied with the decision in respect of an application for an Exceptional Hardship Fund payment, a decision to reduced amount of Exceptional Hardship Fund payment, a decision not to backdate an Exceptional Hardship Fund payment or a decision that there has been an overpayment of an Exceptional Hardship Fund payment, the Council will look at the decision again.

14.3 An officer, other than the original decision maker, will consider the appeal by reviewing the original application and any other additional information and/or representation made, and will make a decision within 10 working days of referral or as soon as practicable. This decision will be final.

14.4 Any request for an appeal must be made within one month of the date of the notification letter confirming the original decision.

14.5 The outcome of the appeal will be set out in writing, detailing the reasons for the decision or upholding the original decision.

15.0 Fraud

15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

15.2 An applicant who tries to fraudulently claim an Exceptional Hardship Fund payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16.0 Complaints

16.1 The Council's Complaints Procedure (available on the Council's website) will be applied in the event of any complaint received about this policy.

17.0 Policy Review

17.1 This policy will be reviewed at least every year and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation.

Under the Council Tax (Prescribed Classes of Dwellings) regulations the following discretionary discounts will apply for the 2026/2027 financial year:-
Class A – Unoccupied and furnished dwellings with a planning restriction preventing occupation for at least 28 days. **0% discount** (on the days when the property cannot be used due to a planning restriction a statutory exemption is allowed under Class G).
Class B – Unoccupied and furnished dwellings without a planning restriction preventing occupation for at least 28 days. **0% discount**
Class C – Unoccupied and substantially unfurnished dwellings. **0% discount**
Class D – Unoccupied and unfurnished requiring major repairs or alterations. (a) which satisfies the requirement set out in the regulations unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question; (b) the requirement referred to in paragraph (a) is that the dwelling is vacant and— (i) requires or is undergoing major repair work to render it habitable, or (ii) is undergoing structural alteration; or (iii) has undergone major repair work to render it habitable, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained vacant since that date; (c) For the purposes of paragraph (b) above “major repair work” includes structural repair work. **100% discount up to 12 months**

Care Leaver's Council Tax Discount Policy

Introduction

This policy utilises the discretionary power available to billing authorities arising from S13A(1)(c) of the Local Government Finance Act 1992 to reduce, or further reduce, the amount of council tax a care leaver is liable to pay with effect from 1 April 2026.

Definitions

For the purpose of this policy, a 'care leaver' is defined as:

A person aged up to 21, who has either

(a) been looked after by Essex County Council 'Essex' for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date; or

(b) who is entitled to leaving care support from Essex.

The Children Act 1989 defines the categories of children entitled to leaving care support as:

'Eligible children' are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;

'Relevant children' are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;

'Former relevant children' are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

Policy statement

For the purpose of calculating the amount of discretionary council tax reduction to apply, care leavers and those in their household are required to take steps to minimise their liability for council tax by claiming discounts, exemptions and council tax reduction.

After all discounts, exemptions and council tax reduction have been claimed the Council will reduce the council tax liability so that the liability of the household is the same that it would have been had the care leaver been a 'disregarded persons' (such as students) as detailed in s11 and Schedule 1 of the Local Government Finance Act 1992

For example:

A care leaver joining an existing household with a single person discount in place will be given sufficient discretionary relief to ensure that the council tax liability does not increase as a result of their presence.

A household where only care leavers are liable to pay council tax will be given sufficient discretionary relief to extinguish the council tax liability completely.

A care leaver in a property, which would otherwise be exempt from council tax, will be given sufficient discretionary relief to ensure that no council tax continues to be payable.

Council Tax Premiums to apply for the 2026/27 financial year:-
Long Term Empty properties (unoccupied and substantially unfurnished ***- From 1 April 2026, additional amounts of council tax will be charged when a property has been empty for one year or more as follows*:***
For one year, but less than five years, will attract a premium of 100%, and therefore charged 200% of the set council tax.
For five years, but less than ten years, will attract a premium of 200%, and be charged 300% of the set council tax.
For ten years or more will attract a premium of 300%, and be charged 400% of the set council tax.
Properties Occupied Periodically (no resident of the property and the property is substantially furnished) ***- From 1 April 2026, additional amounts of council tax will be charged as follows:***
A premium of 100%, and therefore charged 200% of the set council tax.

****The above premiums apply to the property, so a change of ownership or tenancy will not affect the premium.***

ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT for 2026/2027

The Council is required to have a policy on providing a prudent minimum revenue provision which must be approved by Full Council each year.

The duty to make a Minimum Revenue Provision ("MRP") is an important component of the legislative and regulatory framework which underpins the decision making by local authorities to demonstrate that borrowing is prudent, affordable and sustainable. Therefore, where local authorities finance capital expenditure with debt, they must set aside an amount of money each year to ensure that debt can be repaid and in deciding whether any capital expenditure is affordable, an authority must consider whether it can meet the cost of the associated MRP charged within its budget.

The amount of MRP should be determined with respect to a local authority's Capital Financing Requirement (CFR). CFR is the total outstanding capital expenditure that has not yet been funded from either revenue or capital resources and is therefore a measure of the Council's underlying borrowing need after taking into account the provision included in the revenue budgets for the repayment of outstanding debt. The calculation of actual CFR is defined in the prudential code and is derived from the consolidation of a number of items on the Council's Balance Sheet that is published within its Statement of Accounts each year.

In-line with the prudential code, the Council makes reasonable estimates of the total capital financing requirement at the end of each forthcoming financial year and the following two years. These prudential indicators are referred to as the estimates of capital financing requirement. The estimate of capital financing requirement at the end of each year will relate to all capital expenditure – i.e. it includes relevant capital expenditure incurred in previous years. The capital financing requirement will reflect the authority's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. In order to make these estimates, the Council considers all of the financing options available and estimates their use of these. The estimates will not commit the local authority to particular methods of financing. These estimates of CFR are set out within the Annual Capital and Treasury Strategy presented to Full Council in March each year.

The actual financing of capital expenditure is determined at the end of the financial year, which is reported within the associated financial outturn reports presented to the Finance and Governance Portfolio Holder / Cabinet.

It is important to highlight that, except in the short term, total gross debt should not exceed the CFR.

There are currently no plans to reduce the Council's indebtedness via the use of capital receipts, and therefore no impact on the calculation of the MRP charge. It is important to highlight that:

- capital receipts are not being used to replace MRP
- there are no instances where MRP is not being made with respect to any amount of CFR
- no debt financed capital spend has been excluded
- there are no planned voluntary overpayment of MRP and no offset of a previous years overpayments will be made.

In preparing this statement, the local authority has considered the requirements set out in statute and associated guidance to ensure it is meeting its duty to make prudent provision. There have been no departures from this guidance.

The aim of the regulations is that the period over which an MRP is calculated closely relates to the life of the asset and therefore in determining the period of time over which the debt should be reduced to nil, local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefit. With this in mind, the options applicable in calculating MRP as set out in the guidance are as follows:

Where Capital Expenditure is financed by Government Supported Borrowing

- **Regulatory Method –** This is where borrowing is supported by the Government through the Formula Grant and Local Authorities can continue to use the existing approach as set out in the old regulations.

- **Capital Financing Method –** Similar to the above, Local Authorities can continue to set aside 4% of their General Fund capital expenditure financed by borrowing each year as MRP. The difference compared with the regulatory method is that it excludes a transitional adjustment that relates to the regulations that were applicable before the current regulations. As this adjustment does not apply to TDC, the two approaches are essentially the same.

Where Capital Expenditure is financed by Prudential Borrowing

- **Asset Life Method –** Two alternatives are provided within the guidance. The first is that MRP can be calculated by taking the amount borrowed and dividing it by the associated assets useful life – equal instalment method. The second is based on a more complicated annuity basis although based on the same principle. *(This method will be applied to assets and equipment leased in, where the MRP requirement will be regarded as met by a charge equal to the associated annual rental / service charge)*

- **Depreciation Method –** This requires that an MRP is made in accordance with current rules for depreciation accounting whereby an amount would be charged equal to the annual depreciation of the specific asset which could differ from the previous options given the alternatives for calculating depreciation.

An advantage of the asset life method over the depreciation method is that MRP does not have to start until the year the related asset becomes operational which may be different to the year in which depreciation would be charged.

It is important to note that subject to the type of asset acquired there may be a significant impact on the revenue budget, which would need to be taken into account in any future spending / borrowing decisions.

The above applies to the Council's General Fund. In respect of the Council's Housing Revenue Account (HRA) it has been the Council's policy not to make any MRP charge to the HRA because the level of borrowing relating to the HRA is significantly less than the capital value of the housing stock. Following the implementation of the new self-financing arrangements from April 2012, the structure of the borrowing to fund the associated HRA debt settlement was based on principal being repaid over the 30 years of the HRA business plan. Therefore this principal is in effect the amount set aside to repay debt and will therefore be treated as HRA MRP. In terms of MRP for 'old' HRA debt, this will be kept under review as part of future HRA business planning processes.

Having reviewed the position for 2026/27, there are no changes to the Council's approach to calculating MRP compared to 2025/26. The Annual Minimum Revenue Provision Policy Statement for 2026/27 is therefore as follows:

In accordance with the Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2003 and having due regard to guidance issued under Section 21 (1A) of the Local Government Act 2003, the Council's policy for the calculation of MRP for 2026/27 shall be the Capital Financing Requirement Method for supported borrowing and the Asset Life (equal instalment) Method for prudential borrowing.