
2020/21 Local Council Tax Support Scheme



March 2020



Elmbridge Borough Council

... bridging the communities ...

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Protected Groups

This scheme defines the following two protected groups for whom their maximum entitlement to Council Tax Support will remain at 100% of their Council Tax charge.

Pensioners

Low income pension age claimants have statutory protection from any losses between the current scheme and the new local scheme. This means they can continue to receive assistance based on 100% of their council tax charge and will mean those on the lowest incomes do not have to make any contribution. This also applies to any new claims after April 2013 who meet the means testing qualifying conditions.

A pensioner is a household consisting of either:

- A single person who has reached state pension credit age, or
- A couple where both individuals have reached state pension credit age, or
- A couple where one person has reached state pension credit age and the other is of working age and not receiving Income Support, Income-Based Job Seekers Allowance or Income-Related Employment and Support Allowance

It should be noted that in the case of a couple where one person has reached state pension credit age and the other has not but is in receipt of Income Support, Income-Based Job Seekers Allowance or Income-Related Employment and Support Allowance then they will not be treated as a pensioner household for the purposes of protection under this scheme. They will instead be treated as a working age household.

Vulnerable Groups

Pre-Universal Credit (UC) and legacy benefits

Low income vulnerable claimants are also entitled to full protection from any losses between the current scheme and the new scheme. This means they can continue to receive assistance based on 100% of their council tax charge and those on the lowest incomes will not have to make any contribution. This also applies to any new claims after April 2013 who meet the means testing qualifying conditions.

The full definition of what is deemed to be a vulnerable claimant was set out in detail at Appendix A to the original scheme document. This definition still applies to (non-Universal Credit) legacy benefits, especially Employment Support Allowance (ESA) until such time, as managed migration of Universal Credit has been completed. In summary the qualifying criteria is that a person should be in receipt of certain set disability related premiums within their benefits. The full list of relevant premiums is

set out in Appendix A but the most common ones are Disability Premium (DP), Severe Disability Premium (SDP), Enhanced Disability Premium (EDP) and Carer premium (CP).

Post Universal Credit (UC)

New claims for what were some of those legacy benefits, especially Employment Support Allowance (ESA), are now covered under the broad umbrella of Universal Credit. A best match conversion of the before and after definitions has been identified so that there are not any losers amongst more recent and future claims compared with legacy benefit claimants. Some of these new arrangements can be mirrored in the qualification to Child Disability and Carer Elements within UC. However, those who would have been covered by the 'support' component in ESA generally need to be made to approximate to the Limited Capability for Work or Work-Related Activity (LCWRA) in UC. Likewise, those who would have been covered by the Work-Related Activity Component in ESA generally need to be made to approximate to the Work-Related Activity (LCW) in UC.

All the above apply whether the claimant or his / her partner meets the criteria.
Low income vulnerable claimant.

These apply whether the claimant or his / her partner meets the criteria.

Main variations to statutory default scheme (not affecting protected groups above)

The five following variations to the statutory default scheme make up the Elmbridge local scheme and will apply to all claimants except those in the two protected groups.

1. Everyone who currently receives Council Tax Support should pay something, or pay more than under the statutory scheme

Claimants will be expected to contribute towards their council tax liability of 10% except for the protected groups within the Local Scheme.

There are two exceptions detailed below.

Families with children under five

For families with young children under the age of five the maximum level of assistance is set at a slightly higher level than for everyone else to minimise the impact on these households. The maximum cap on assistance is 95% for families with children under five years old and would face a contribution of 5%.

People in low paid work

For households in low paid work the maximum level of assistance is set at a slightly higher level than for everyone else to ensure that low income working households will be slightly better off than those on out of work benefits. The maximum cap on assistance is 95% for people in that are in low paid work and would face a contribution of 5%.

Note about households fitting into both groups. It should be noted that if a household qualifies for a reduced cap by having children under five *and* by being in low paid work then they would only receive the advantage once, so the maximum cap would still be 95%.

2. No eligibility for Council Tax support for households in the highest Council Tax Band Properties, Bands G and H

Households who are liable for council tax on homes rated as Band G or H will not be entitled to Council Tax Support. These are the two highest Bands representing the most expensive homes in the Borough.

3. The Maximum Council Tax assistance that can be awarded will be capped at the level of a medium range council tax band property (Band D)

Households who are liable for council tax on homes rated as bands E or F (and Bands G & H in Year One of the Scheme) will face a restricted, maximum entitlement of support to that of a Council Tax band D property.

4. Limit backdating for late claims

Claimants who make late applications for support may not be able to receive any support for a previous period prior to their claim date. As well as having to show a good cause for why a claim is being made late, claims will be limited to a maximum period of one month prior to the date of claim.

This provision will not apply to households who have been awarded Universal Credit who will be treated differently as determined elsewhere in the scheme

5. No rebate given in respect of other low-income adults in the household

Claimants who have a second adult living with them who would have qualified for a 'second adult rebate' under the statutory scheme will no longer be entitled to this.

Appeals

Provision for making appeals over decisions on the amount of support to be awarded or whether an applicant has any entitlement to support, and the process for dealing with these is set out as part of the draft Council Tax Reduction Scheme (Prescribed Requirements) Regulations.

In summary, a person unhappy with the decision of the Council under Elmbridge LCTSS must provide an appeal request in writing stating the grounds for this. The Council must then consider the matter and notify the claimant of the steps taken to resolve the matter and the outcome. Should the claimant remain unhappy s/he may appeal to a Social Security Valuation Tribunal.

Variations and Clarification of Scheme Intention to be Adopted into the Scheme from 1 April 2020

Method of Application

An application for LCTS should be made on the council's prescribed form for doing so.

Electronic Applications for LCTS are acceptable providing they are made using the council's prescribed method as detailed on the Electronic Communications Order specifically the council's online application form which is freely available on their website or data transfer from the Department of work and Pensions.

Other methods may be accepted at the discretion of the council of the council

Any application for LCTS will not be considered complete until all relevant information and required evidence has been provided to allow a decision to be made. The council reserves the right not to make a determination of entitlement in respect of the claim until this condition is satisfied.

In all cases the person(s) making a claim will have one calendar month to supply all relevant information and evidence. If this is not supplied within one month the claim will be refused and new claim will be required.

Treatment of Joint Applications

Applications from couples will be considered as joint claims for support from the scheme. This means if one member of the couple vacates the property for any reason the claim can continue without the need for a new application provided all other aspects of entitlement can be verified and are reported correctly.

In circumstances where the one of the couple vacates the property and the financial and household circumstances are so complex the council reserves the right to request a person to complete a new application to ensure all information held in respect of the claim is correct.

Method of notifying a Change in Circumstances

Notification of changes in circumstances should be made using the council's prescribed methods as detailed on the Electronic Communications Order specifically; the online form freely available on the council's website or data transfer made from the Department of Work and Pensions.

Other methods may be accepted at the discretion of the council.

It is the claimant's responsibility to notify the council of all relevant changes in

circumstances which affect the assessment of entitlement or eligibility for the scheme.

A change of circumstance will not be considered duly made until it contains all of the following;

- a) Sufficient information to identify the claimant and the person(s) the information relates to
- b) All relevant information to identify the nature of the change and the date the change took place
- c) Evidence to a sufficient standard to verify the detail of the change which is being reported

Start date of an award where Universal Credit has been awarded

Households who are in receipt of Universal Credit will not be subject to backdating restrictions of one month. To overcome complex issues of claiming relevant entitlements and inconsistency in data transfer with the Department of work and Pensions the start date of an award of LCTS will be either;

- a) The date of their entitlement to Universal Credit for any point in the current financial year; or
- b) The date of entitlement to Universal Credit for up to four months in the immediately preceding financial year; or
- c) The date they became liable for Council Tax if this is later than a) or b) above**

Calculation of income and capital; persons who have an assessment of Universal Credit

In determining the income of a person(s) who have claimed UC and had an assessment of that benefit the council will use the calculation of income and capital as determined by the Department of Work and Pensions to assess any entitlement to support from this scheme.

The amount of Universal Credit paid the claimant may be reduced for a number of different situations. For the purpose of the assessment of LCTS support the only disregarded amounts which will be considered is a reduction in the amount paid due to the application of the Benefit Cap. Any other amount causing a reduction such as the repayment of an overpayment or other debt will be included in the assessment and treated as income of the person(s) claiming LCTS support.

No further disregards will be applied to the income calculated by the Department of work and Pensions in the assessment of Universal Credit.

Treatment of the Minimum Income Floor in the assessment of income from Universal Credit

The minimum income floor is a notional income applied to some self-employed awards of UC after they have been claiming for a period of time however their declared earnings from that self-employment remain below the minimum wage level for the hours they work.

The Department of Work and Pensions treat this as an income in the assessment of Universal Credit and therefore will be included in the assessment of the LCTS award.

Circumstances where the Universal Credit Assessment will not be used

There are two circumstances where the Universal Credit Assessment of income and Capital may not be used:

1. Circumstances where the capital and income of the non-dependant is to be treated at the claimants

Where it appears to the council that the non-dependant and applicant have entered into arrangements in order to take advantage of the scheme and the income and/or capital of the non-dependant is higher than that of the person(s) claiming the income and capital may be substituted between the parties involved and the assessment of LCTS made on the higher income and/or capital

2. Circumstances where the council has information indicating the assessment of Universal Credit is incorrect

Where the council is in receipt of information which indicates that an award of Universal Credit has been incorrectly awarded the council reserves the right to substitute the data provided by the Department of Work and Pensions with its own information in the following circumstances;

- a) Where the evidence means the household would not meet the eligibility qualifying conditions of the scheme
- b) Where an award of LCTS would be made at a higher rate than would otherwise be awarded if the Universal Credit assessment took into account the information held by the council

If there is an error identified in the assessment of Universal Credit which is resulting in a lower award of LCTS the claimant must liaise with the Department of Work Pensions for the error to be rectified. The council will revise the award of LCTS when

updated information has been provided in respect of the revised Universal Credit award.

Claims for Universal Credit where there is no award made

When information is received that a claim for universal Credit has been assessed however there no award made the council will use the assessment of income, capital and household membership as determined by the DWP in consideration of any entitlement to LCTS. This condition is subject to the provision to override assessment of the DWP as defined within this scheme.

Changes to the award of Universal Credit

Where an award of Universal Credit changes between monthly assessment periods the award of LCTS will only be amended in the following circumstances;

- a) Where there is also a liability change within the UC assessment period.
- b) Where the change in the amount of the UC award does not exceed £100 when compared to the figure on which the current LCTS award is based

The provision to limit a change where the difference in the amount of the UC award is less than £100 will not be applied where doing so prevents hardship of the person(s) claiming.

Effective date of Changes in Circumstances

Changes which affect the calculation of the LCTS will take place from the following dates

a) Changes affecting liability

Where the change in circumstances affects the amount a person is liable to pay in respect of council tax the change in the calculation of any award made under this scheme will take effect from the day of the change in the liability

b) Changes affecting the assessment of Universal Credit

Universal Credit is assessed on the basis of fixed calendar monthly periods regardless of the date within that period that any change occurred. For the purpose of this scheme LCTS will be revised in line with the dates of change of the Universal Credit award and will take effect from the first day of the benefit week after the day of that change.

c) Changes in other income or capital

With the exclusion of Universal Credit all other changes in income or capital of household members will take effect from the first day of the benefit week after the date on which the change occurred.

d) More than one change in the same week

If two or more changes occur in the same week which would otherwise be effective in different reduction weeks the change will take effect from the day of the earliest change and take effect in line with the most relevant paragraph above.

Termination of an award

a) No longer eligible

Where a change in circumstances means that the claimant no longer fulfils the eligibility criteria for receiving an award their claim will be terminated from the day before the change took effect

b) Nil qualification based on the means-test

When the person is no longer eligible for support because based on the means-test their financial circumstances have changed entitlement will end from the last day of the reduction week that change occurred subject to the provision of more than one change occurring in the same week

c) Failure to supply information

The council required the person(s) claiming to provide relevant information and evidence to ensure their claim assessed on the correct basis and will be given one calendar month to supply that information or evidence. In circumstances where the information is not supplied either in full or to the level required to ensure the claim is calculated corrected correctly the claim will be terminated. The date of termination will be the earlier of;

- I. The day before an identified change in circumstances the information request related to or;
- II. The day before the first request for information was made or;
- III. The day before any change is made to the liability to pay council tax as a result of the review being undertaken to establish the circumstances of the household

Temporary exclusion from the scheme where capital has previously exceeded £16,000

The scheme is designed to help low income households who do not have the means to meet their council tax liability. A capital threshold of £16,000 exists which does not allow anyone with capital above this limit to receive support from the scheme.

In order to prevent a household spending high levels of capital to make themselves eligible for support an exclusion time period will be applied on the following basis where it is expected the capital will supplement other forms of income in a reasonable manner until time has elapsed where provision of support would be appropriate. The exclusion periods are;

- a) Where the level of capital is greater than £16,000 and less than £20,000 the period of exclusion will be 6 months
- b) Where the level of capital is greater than £20,000 and less than £25,000 the period of exclusion will be 12 months
- c) Where the level of capital is greater than £25,000 the period of exclusion will be 24 months

The council may override this provision in exceptional circumstances and to avoid hardship