**Draft Council Tax Support scheme summary 2017/18**

The proposed scheme from April 2017 will be the scheme currently in place (2016/17) with the changes as outlined below. The full details of our current scheme can be found online at [**http://www.torbay.gov.uk/council-tax-support-policies**](http://www.torbay.gov.uk/council-tax-support-policies)

1. **Reducing the maximum level of support for working age customers from 75% to 55%**

**2016/17 Council Tax Reduction scheme, section 57, paragraph 57.1.**

We currently require all working age recipients of Council Tax Support to make a minimum payment of 25% towards their council tax. This would increase to 45% from 01/04/17.

1. **Restrict the level of support to a maximum of council tax band C**

**2016/17 Council Tax Reduction scheme, section 57, paragraph 57.1.**

The current Council Tax Support Scheme uses the full amount of council tax charge irrespective of the band of the property. There are eight council tax bands A to H with band D being the national average. It is proposed that where an applicant lives in a property which is band D, E, F, G or H then Council Tax Support will be calculated on the basis of a band C charge.

1. **Limiting applicants for Council Tax Support to having a maximum capital limit of £3000**

**2016/17 Council Tax Reduction scheme, section 33, paragraph 33.1.**

Currently when a claimant makes an application to Council Tax Support we ask for confirmation of their capital along with any partner’s capital, if applicable. If it exceeds £6000 then the claimant is automatically not entitled to Council Tax Support. The proposed change will reduce this capital limit to £3000.

1. **Removing the family premium for all new working age applicants**

**2016/17 Council Tax Reduction scheme Schedule 1 Paragraph 3.**

The removal of family premium from 1st April 2017 for new claims will bring our Council Tax Support scheme in line with Housing Benefit. The family premium is part of how we assess the ‘needs’ (Applicable Amounts) of any claimant which is compared with their income. Family premium is normally given when a claimant has at least one dependant child living with them. Removing the family premium will mean that when we assess a claimant’s needs we would not include the family premium (currently £17.45 per week). This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker’s Allowance.

1. **Reducing backdating to one month**

**2016/17 Council Tax Reduction scheme, section 69.9.**

Currently claims for Council Tax Support from working age claimants can be backdated for up to six months where an applicant shows they could not claim at an earlier time. Central Government has reduced the period for Housing Benefit claims to one month. It is proposed that our Council Tax Support Scheme be aligned with the changes for Housing Benefit.

1. **Using a minimum set income for self-employed earners after one year**

**2016/17 Council Tax Reduction scheme, section 20.**

In order to align Council Tax Support with Universal Credit, we proposes to use a minimum level of income (minimum income floor) for those who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to any person who is both employed and self-employed.

1. **Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to four weeks**

**2016/17 Council Tax Reduction scheme, section 8.0.**

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Support. This replicates the rule within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than four weeks, their benefit will cease. It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for certain occupations such as mariners and the armed forces. The four weeks can be extended to eight weeks in special circumstances.

1. **Removing the Work Related Activity Component in the calculation of the entitlement for new Employment and Support Allowance applicants**

**2016/17 Council Tax Reduction scheme, schedule 1 paragraphs 17-18**

From April 2017, all new applicants for Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council Tax Support scheme is amended to reflect the changes.

1. **Limiting the number of dependant children within the calculation for Council Tax Support to a maximum of two**

**2016/17 Council Tax Reduction scheme, schedule 1 paragraph 2.**

Within the current scheme, claimants who have children are awarded a dependant’s addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant’s additions that can be awarded. From April 2017 Central Government will be limiting dependant’s additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017. It is proposed that the Council Tax Support scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits.

1. **Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) to look after them**

**2016/17 Council Tax Reduction scheme, schedule 1 paragraph 10.**

Currently when another person is paid Carers Allowance to look after a Council Tax Support claimant, then the Severe Disability Premium is not included when working out their needs (Applicable Amounts). The reason for this is that it avoids paying for the same care twice. This proposed change will align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance.