



**COUNCIL TAX SUPPORT SCHEME**

**VULNERABILITY/ INCENTIVISING WORK**

**STATEMENT**

Version 1 – October 2012

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## **1. INTRODUCTION**

Section 10 of The Local Government Finance Act 2012 amends s.13A of the Local Government Finance Act 1992 and requires all local authorities working within this legislative framework to design their own Council Tax reduction scheme, Torridge District Council's scheme is called the Council Tax Support Scheme.

With effect from 1 April 2013 a local Council Tax Support scheme will replace the national Council Tax Benefit statutory scheme (S.I. 2006/215) as the method of supporting low income households to pay their council tax. In designing this new scheme Torridge District Council has adopted the core elements of the Council Tax Benefit scheme, which is a proven and robust system of support, which affords financial support to the most vulnerable.

The Government has been clear that, in developing local Council Tax Support schemes, vulnerable groups should be protected. Other than statutory protection for low income pensioners the Government has not prescribed other groups that local Councils should support. Each Council must tailor their schemes to take account of the various statutes that currently protect vulnerable people.

## **2. PURPOSE OF THE VULNERABILITY/ INCENTIVISING STATEMENT**

This statement sets out Torridge District Council's approach to defining and assisting those deemed as vulnerable. In doing so it seeks to:

- § Protect those who are state pension credit age
- § Help those who are trying to help themselves
- § Encourage and support people both into employment and those already in employment

## **3. ACCESSIBILITY OF THE COUNCIL TAX SUPPORT SCHEME**

In order to ensure that all customers have equal access to Council Tax Support, the Council has adopted a communications strategy which aims to reach all vulnerable and hard to reach customers in our communities.

In doing this, we will ensure that:

- § We aim to make all information about our Council Tax Support scheme available in alternative formats and languages.
- § Claim forms for Council Tax Support will be available on line or by visiting one of our offices or remote offices.

- § Customers can contact us by telephone or email, or have face-to-face contact at one of our offices.
- § Additional information about our Council Tax Support scheme will be available on our website and will be publicised in leaflets.
- § We will work closely with welfare groups and other agencies who support customers to ensure customers can access the Council Tax Support they are entitled to.

#### **4. STATUTORY FRAMEWORK AND OTHER CONSIDERATIONS**

In developing this policy the Council has taken account of the following statutes:

- § Local Government Finance Act 2012
- § Equality Act 2010 (public sector equality duty)
- § Child Poverty Act 2010 (duty to mitigate the effects of child poverty)
- § Housing Act 1996 (the duty to prevent homelessness)

It also takes account of:

- § Work incentive principles set out in the Welfare Reform Act 2012
- § Armed Forces Covenant 2011

As part of the Equality Act 2010 (section 149) the Council has paid due regard to the following in designing its Council Tax Support scheme:

- § Eliminate unlawful discrimination (harassment, victimisation and any other prohibited conduct)
- § Advance equality of opportunity between those people who share a relevant protected characteristic and people who do not share it
- § Foster good relations between those who share a relevant protected characteristic and people who do not share it

The relevant protected characteristics, as defined by the Equality Duty, are:

- § Age
- § Disability:
- § Gender reassignment:
- § Pregnancy and maternity:
- § Race:
- § Religion or belief:
- § Sex:
- § Sexual orientation:
- § Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)

In developing the Council Tax Support scheme and this statement Torridge District Council has undertaken an Equality Impact Needs Assessment (EINA) and given 'due regard' to its findings to ensure it does not lead to unlawful discrimination.

## **5. PENSIONERS**

### **5.1 DEFINITION**

The Local Government Finance Act 2012 sets out that the requirement to fully protect the support provided under the current Council Tax Benefit statutory scheme (S.I. 2006/216) to low income pensioners in the Council Tax Support scheme.

### **5.2 ELIGIBILITY UNDER THE LOCAL GOVERNMENT FINANCE ACT & DRAFT COUNCIL TAX REDUCTION SCHEMES (PRESCRIBED REQUIREMENTS) REGULATIONS**

- § Applicants in receipt of guaranteed pension credit and who have income below their applicable amount will receive full council tax support subject to non-dependent deductions (Class A)
- § Those applicants who have income in excess of their applicable amount will have 20% of the excess income deducted from their maximum support and will also be subject to non-dependent deductions (Class B).
- § Someone who has attained the qualifying age for state pension credit and has at least one second adult living with them will qualify for Second Adult Rebate. A second adult is someone who is not the applicant's partner and not someone who pays rent on a commercial basis. Typically a second adult is an adult friend or relative who is on a low wage and/or other welfare benefits (Class C).
- § Council Tax Support for state pension credit age applicants and Second Adult Rebate cannot be paid together; it will be the highest entitlement that will determine which support is paid.

## **6. DISABLED AND CHRONICALLY SICK**

### **6.1 DEFINITION**

The following pieces of legislation set out the council position and responsibility for those who are disabled:

- § Disabled Persons (Services, consultations and Representation) Act 1986
- § Chronically Sick and Disabled Persons Act 1970

- § Disabled Persons (Services, consultations and Representation) Act 1986
- § Disability Discrimination Act 1995 (s.1 & sch 1)
- § Equality Act 2010

## **6.2 HOW THE COUNCIL'S STATEMENT ADDRESSES THE ISSUES OF DISABILITY**

Torrige District Council's Council Tax Support Scheme will maintain the key elements of the Council Tax Benefit scheme, and as such provides protection in the overall calculation of support for disabled customers.

Our Council Tax Support scheme will continue to disregard income received specifically relating to disability in the financial assessment as defined in the current Council Tax Benefit statutory scheme. This means that all income received from Disability Living Allowance and Personal Independence Payments will not be included. The affect of this is that these customers will be able to retain more of their income before their Council Tax Support is reduced.

In addition to this, the calculation of support will also include all of the premiums which existed under the Council Tax Benefit statutory schemes:

- § Disability Premium – awarded when a customer or their partner (if any) is classed as disabled and receives either a qualifying disability benefit or meet defined disability criteria or long-term sick.
- § Enhanced Disability Premium – awarded where either the customer or their partner (if any) are in receipt of Higher Rate Disability Living Allowance Care Component or where the customer receives the Support Component of Employment and Support Allowance;
- § Severe Disability Premium – awarded when both customer or their partner (if any) are both severely disabled and receive either a qualifying disability benefit or meet defined disability criteria:
- § Work related activity component – where this component is awarded to a customer or their partner's Employment and Support Allowance:
- § Support component – where this component is awarded to the customer or their partner's Employment and Support Allowance

In all situations where a customer or their partner (if any) is classed as disabled under the scheme, then no non-dependant deductions will be made where the customer or their partner is registered blind or where they are in receipt of the Care Component of Disability Living Allowance/Personal Independence Payments.

## **7. HOUSEHOLDS WITH CHILDREN**

## 7.1 DEFINITION

The Child Poverty Act 2010 places the following duties on local authorities and their partners to:

- § Co-operate to tackle child poverty in their area
- § Prepare and publish a local child poverty needs assessment
- § Prepare a joint local child poverty strategy
- § Take child poverty into account when preparing or revising their Sustainable Communities Strategy

In partnership, Devon County Council and all the district councils, including Torridge has signed up to the Devon Strategic Partnership's Child Poverty Strategy. In developing the Council Tax Support scheme and this statement Torridge District Council has taken into account the DSP Child Poverty Strategy.

Furthermore, Torridge District Council has taken account of the Government's National Strategy for tackling child poverty: *Tackling the causes of disadvantage and transforming families' lives published in April 2011*. The Council Tax Support scheme therefore supports the key measures within this strategy to strengthen families, encourage responsibility, promote work and guarantee fairness and provide support to the most vulnerable.

The Government definition used within this policy is as follows:

- § Households with children in which income is less than 60% of the national median

The authority is mindful of the proportion of dependant children within its area who live in households whose equivalised income is below 60% of the national median.

## 7.2 HOW THE COUNCIL'S STATEMENT ADDRESSES THE ISSUE OF CHILD POVERTY

Torridge District Council recognises the importance of maintaining the components within the Council Tax Benefit statutory scheme that gives additional protection to families.

These allow for the following incomes not to be included in the financial assessment of Council Tax Support:

- § All Child Benefit
- § All Child Maintenance
- § All other income payable to children

- § Up to £175.00 per week for one child and £300.00 per week for two or more children towards childcare payments, for working families under defined criteria.

When assessing a claim for Council Tax Support a family's income will be compared to their applicable amount (living allowances). The applicable amounts (living allowances) will copy the provisions defined within the current Council Tax Benefit statutory scheme. The applicable amount will contain the following elements:

- § Child personal allowances – an allowance for each dependant child in the applicant's household.
- § Family Premium – where there is at least one child in the household.
- § Disabled Child Premium – where a child is in receipt of any component of Disability Living Allowance or a comparable component of Personal Independence Payments or is blind or is treated as registered blind.
- § Enhanced Disability Premium – where a child is in receipt of the highest rate of the care component of Disability Living Allowance or the equivalent component of Personal Independence Payments. (PIP will not be applicable for children under 16 as they will remain on DLA.)

## **CHILD CARE DISREGARDS**

To support families who are working and going into work, allowances can be made from earnings and other benefits in respect of eligible childcare costs when defined criteria (below) are met and the childcare is provided by a registered childcare provider or after school club.

A weekly child care disregard will be applied under the following criteria:

- § Where a customer is a lone parent and works 16 or more hours each week:
- § Where a couple both work 16 hours or more each week:
- § Where one partner works 16 or more hours each week and the other partner is incapacitated, a hospital in-patient or is in prison.

Where a customer is a lone parent or part of a couple and either the lone parent works 16 or more hours; or both members of the couple work 16 hours or more or where one of the couple is incapacitated, a maximum weekly disregard will be set annually.

## **8. PREVENTION OF HOMELESSNESS**

## **8.1 DEFINITION**

Under the Housing Act Torridge District Council has a Duty to help homeless people defined as priority need within vulnerable groups. Where people apply to Torridge District Council for assistance we will give careful consideration to the circumstances that have led to homelessness and make our decisions on accommodation provision accordingly. Under the Homelessness Act 2002 Torridge District Council has a duty to prevent homelessness and provide a homelessness advice service and further information on this can be found in Torridge's Homelessness Strategy 2008.

Torridge District Council has given consideration to the threat of homelessness in the development of the local Council Tax Support scheme.

## **8.2 HOW THE COUNCIL'S STATEMENT ADDRESSES THE ISSUES WITHIN THE HOUSING & HOMELESSNESS ACTS**

- § Torridge District Council will ensure that any applicant who is supported under our Homelessness Policy, will also be supported to apply for Council Tax Support once they have secured accommodation
- § Torridge District Council will ensure that any applicant at risk of homelessness and who is vulnerable will be assisted to apply for Council Tax Support

## **9. ARMED FORCES COVENANT**

### **9.1 DEFINITION**

In 2011 the Government launched the tri-service armed services covenant which it intends to enshrine in the Armed Forces Bill

A Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. It is intended to complement, at local level, the Armed Forces Covenant, which outlines the moral obligation between the Nation, the Government and the Armed Forces.

The aims of the Armed Forces Community Covenant are to:

- § encourage local communities to support the Armed Forces community in their areas
- § nurture public understanding and awareness amongst the public of issues affecting the Armed Forces community
- § recognise and remember the sacrifices faced by the Armed Forces Community

§ encourage activities which help to integrate the Armed Forces Community into local life

§ to encourage the Armed Forces Community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement

(Above extract from <http://devonarmedforces.wordpress.com/covenant/>)

Torrige District Council has signed up to the Armed Forces Covenant and has considered this obligation in developing the Council Tax Support scheme

## **9.2 HOW THE COUNCIL'S STATEMENT MEETS THE ARMED FORCES COVENANT**

§ Torrige District Council will continue to disregard War Disablement Pension or War Widows payments from the calculation of Council Tax Support under the provision of s.139 of the Social Security Administration Act 1992 as currently applied under the Council Tax Benefit statutory scheme.

## **10. WORK INCENTIVE**

### **10.1 DEFINITION**

As part of the Council Tax Support scheme Torrige District Council wishes to support and provide incentives for applicants to return to work or to support those already working to increase the hours they work, wherever possible.

The Council Tax Support scheme reflects the following principles:

- § People should get more overall income in work than out of work.
- § People should get more overall income from working more and earning more.
- § People should be confident that support will be provided whether they are in or out of work, that it will be timely and correct and that claiming will not be a complicated and frustrating experience.

### **10.2 HOW THE COUNCIL'S STATEMENT PROVIDES WORK INCENTIVES**

Torrige District Council is keen to support applicants back into work. The Council Tax Support scheme will achieve this by supporting both customers in receipt of benefits or on low income.

The Council is retaining the core elements within the Council Tax Benefit statutory scheme which means that support is reduced based upon a 20% withdrawal rate. This means that where a customer's income exceeds their applicable amount a deduction of 20p for every £1 will be made from Council Tax Support.

- § When calculating weekly earned income a net figure will be used, this will be gross earnings less all Income Tax, National Insurance and half of any pension contribution. In addition, a further disregard will be applied:
  - First £5.00 of weekly earnings for single customers
  - First £10.00 of weekly earnings for couples
  - First £20.00 of weekly earnings for people who are disabled or long term sick, carers or part-time fire fighters, auxiliary coast guards, part-time life boat workers and member of the Territorial Army
  - First £25.00 of weekly earnings for lone parents
  
- § Where the applicant or their partner is able to undertake work on or above a defined number of hours then an additional earnings disregard may be applied;
  
- § A childcare costs disregard of up to £175.00 for one child or up to £300.00 for two or more children can be given where the applicant or their partner is working and meet the specified criteria. Please see Childcare Disregards above.
  
- § An additional four week extended payment of support can be awarded when the customer moves into work, and meets specified conditions. The extended payment will give support at the pre work entitlement to allow for additional costs incurred when starting work.

## **11. COUNCIL TAX SUPPORT EXCEPTIONAL HARDSHIP FUND**

Torridge District Council recognises that there may be exceptional circumstances where customers are unable to meet the shortfall between their Council Tax and the Council Tax Support they receive.

**Torridge District Council's Exceptional Hardship Fund\_Policy ensures that those who are most vulnerable and in greatest financial hardship can access additional financial assistance from the Exceptional Hardship Fund.**