

# Bournemouth, Christchurch and Poole Shadow Authority



## Have your say on proposed changes to Council Tax Support for 2019/20

This leaflet provides information on the proposed changes to the working age Council Tax Support Scheme from April 2019. Please read it carefully before completing your questionnaire.

### Why propose changes to Council Tax Support?

From April 2019, there will be a new council for Bournemouth, Christchurch and Poole. This new council will replace the existing local authorities – Bournemouth Borough Council, Christchurch Borough Council and Borough of Poole. The three councils each have their own Council Tax Support Scheme, each with different characteristics/criteria. The new council needs a single Council Tax Support Scheme for the 2019/20 financial year that is affordable, consistent and fair, not only for those who receive support, but also for residents who depend on wider services.

It is proposed that the new scheme will also be aligned with changes made by the Government for the national Housing Benefit scheme. This is because most people who claim Housing Benefit also claim Council Tax Support, so aligning the schemes would make it easier for claimants to understand.

The closing date for the consultation is **Monday 15<sup>th</sup> October 2018**.

### What is Council Tax Support?

Every household has to pay Council Tax, but some people can apply for Council Tax Support – a means-tested reduction to the bill. The means test compares how much money people have coming in to an amount (known as the 'Applicable Amount'), which reflects the basic living needs of a household and varies depending on age and individual circumstances.

As of July 2018, there were 26,869 households in Bournemouth, Christchurch and Poole who receive some level of Council Tax Support. The Government says that we must **fully protect pensioners**, who make up 47% of those entitled to Council Tax Support.

In addition, Bournemouth, Christchurch and Poole have protected, and will continue to protect the following groups, from making the minimum contribution to their Council Tax bills, where the applicant or partner is in receipt of:

- War disablement pension, war widows pension or war widows disablement pension
- Disability premium, enhanced disability premium or severe disability premium
- Disabled child premium
- Carer premium
- Support component within their employment and support allowance, or
- Universal Credit recipients, who are not pensioners, but the applicant or their partner is in receipt of an income or premium listed above.

There are some proposals that could affect all working age claimants, including protected groups. Each proposal and who could and could not be affected is explained in this document.

Any changes will not affect the 25% Single Person Discount, where there is only one adult in the household. If a person is suffering exceptional financial difficulties the Council may be able to provide assistance on a case by case basis.

## What are the proposals?

The table below shows what we are proposing for the new scheme, compared to the existing schemes in Bournemouth, Christchurch and Poole. Each proposal is explained more fully in this document.

The Proposed 2019/20 Council Tax Support Scheme	Change to current scheme?		
	Bournemouth	Christchurch	Poole
A. Set the minimum contribution at 20% for working age residents not in a protected group	No	Yes	No
B. Withdraw the family premium for new working age claims and new families	No	Yes	No
C. Limit backdating to up to a maximum of one calendar month for working age claims	No	Yes	No
D. Cap scheme at Council Tax Band C for working age claimants not in a protected group	No	Yes	No
E. Minimum weekly entitlement of 50p	No	Yes	No
F. No working age Second Adult Rebate.	No	Yes	No
G. Limit the number of dependant children within the calculation of Council Tax Support to a maximum of two for working age claimants	Yes	Yes	Yes
H. Disregard Bereavement Support Payment and Infected Blood Schemes financial support claimants for all working age claimants	Yes	Yes	Yes
I. Mirror the Housing Benefit 'Temporary Absence' rules	Yes	Yes	Yes
J. Introduce a self-employed minimum income floor	Yes	Yes	Yes
K. Introduce fixed period assessments for Universal Credit recipients of 26 or 52 weeks	Yes	Yes	Yes

## Proposal A: Set the minimum contribution at 20% for working age residents not in a protected group

We are proposing that everyone of working age (who is not in a protected group) would have to pay a minimum of 20% of their Council Tax bill.

### This proposal would affect:

- 705 households in Christchurch who currently pay a minimum of 8.5% of their total bill.

### This would not affect:

- Anyone in a protected group, as they would be protected from this proposal.
- Claimants living in Bournemouth and Poole as they already pay a minimum of 20% of their bill.

### Example

The table below shows how much Christchurch claimants who are not in a protected group would have to pay if the minimum contribution was 20%.

*Please note that there are three parishes within Christchurch Borough Council (Burton, Christchurch and Hurn). These examples are based on current figures for Christchurch parish and are for illustrative purposes only. **Actual 2019/20 figures will vary** because we cannot say how much Council Tax Support will be in 2019/20 until the final scheme has been adopted and the level of Council Tax has been set for 2019/20.*

#### **Example based on current 2018/19 Christchurch Council Tax rates.**

Property Band		Minimum weekly payment	
		Current minimum at 8.5% of total bill	Proposed minimum of 20% of total bill
Band A	single person	£1.54	£3.62
	more than 1 adult	£2.05	£4.82
Band B	single person	£1.79	£4.22
	more than 1 adult	£2.39	£5.63
Band C	single person	£2.05	£4.82
	more than 1 adult	£2.73	£6.43

As an example, a single person living in a Band A property in Christchurch would currently pay a minimum weekly contribution of £1.54. Should the 20% minimum contribution be implemented this would rise to £3.62 per week.

## **Proposal B: Withdraw the Family Premium for new working age claims and new families**

We are proposing the family premium will not be included in the Council Tax Support applicable amount for new entitlements to Council Tax Support from 1 April 2019 or for any existing claimants who have, or become responsible for, a child (under 16) or young person (under 20) for the first time on or after 1 April 2019.

This would reduce the Applicable Amount by £17.45 per week (based on the current Family Premium).

### **This would affect:**

- Claimants living in Christchurch.
- All working age families (including protected groups) making a new claim for Council Tax Support.
- Existing claimants who become responsible for a child or young person for the first time from 1 April 2019 (including protected groups).

For example:

- a single parent with one child, would have their income compared to an applicable amount of £140 instead of £157.45.
- a couple with one child would have their income compared to an applicable amount of £181.75 instead of £199.20.

This means affected claimants in Christchurch would have to pay up to £3.49 extra per week where income is already above the Applicable Amount.

### **This would not affect:**

- Claimants living in Bournemouth and Poole as Bournemouth's and Poole's Local Council Tax Support Schemes already apply this rule.

## **Proposal C: Limit backdating to up to a maximum of one calendar month for working age claims**

We are proposing to limit 'backdating' from 1 April 2019 up to a maximum of one calendar month for all working age claims. A claim is 'backdated' where a request is made in writing to the Benefits Service, and the person is able to show they have continuous good cause for their failure to make a claim at the relevant time.

This would mean that for everyone of working age, 'backdating' would be limited to up to a maximum of one calendar month to make it consistent with the Housing Benefit rules.

### **This would affect:**

- Claimants living in Christchurch where Council Tax Support can be backdated up to a maximum of six months for working age claims.
- All working age claimants (including protected groups) where they make a request for backdating on or after 1 April 2019.

### **This would not affect**

- Claimants living in Bournemouth and Poole as Bournemouth's and Poole's Local Council Tax Support Schemes already apply this rule.

## Proposal D: Cap scheme at Council Tax Band C for working age claimants not in a protected group

We are proposing to cap the Council Tax Support Scheme to Band C. This would mean everyone of working age who is not in a protected group, whose Council Tax charge is Band D or above, would have their eligible Council Tax charge in the assessment of Council Tax Support restricted to the Band C equivalent.

### This would affect:

Claimants living in Christchurch not in a protected group whose Council Tax charge is Band D or above. As at April 2018 there were 108 claimants in Band D, 28 in Band E, 6 in Band F and 1 in Band G, who would be affected. There were no claimants in Band H.

### This would not affect:

- Claimants living in Bournemouth and Poole as Bournemouth's and Poole's Local Council Tax Support Schemes already apply this rule.
- Claimants in the protected groups.

### Example

The table below shows how much extra Christchurch claimants living in a property of Band D or above could have to pay if the Scheme is capped at Band C (based on the current minimum contribution of 8.5%)

*Please note that there are three parishes within Christchurch Borough Council (Burton, Christchurch and Hurn). These examples are based on current figures for Christchurch parish and are for illustrative purposes only. **Actual 2019/20 figures will vary** because we cannot say how much Council Tax Support will be in 2019/20 until the final scheme has been adopted and the level of Council Tax has been set for 2019/20.*

Council Tax Band	Extra per week (based on 8.5% contribution)
Band D	£3.68
Band E	£11.03
Band F	£18.39
Band G	£25.75
Band H	£36.78

## Proposal E: Minimum weekly entitlement of 50p

We are proposing that where a working age customer's entitlement to Council Tax Support is less than 50p per week, the reduction would not be paid, making the entitlement "nil". It is difficult to justify the administrative cost of very small awards.

### This would affect:

- Everyone of working age whose entitlement is less than 50p per week.
- Claimants living in Christchurch.

### This would not affect:

- Claimants living in Bournemouth and Poole as Bournemouth's and Poole's Local Council Tax Support Schemes already apply this rule.

## **Proposal F: No working age Second Adult Rebate**

If someone doesn't qualify for Council Tax Support on their own income but a non-dependant on a low income lives with them, the liable person may be able to receive Council Tax Support of up to 25% of the eligible Council Tax charge. This is known as Second Adult Rebate. This is not the same as a Single Person Discount which remains unaffected. It is proposed that the Second Adult Rebate will end on 31 March 2019 for all working age claimants, including those in protected groups.

This would mean that all claimants of working age (including those in protected groups) would be unable to apply for or receive Second Adult Rebate from 1<sup>st</sup> April 2019.

### **This would affect:**

- Christchurch claimants. There were 34 claimants in Christchurch awarded Second Adult Rebate in 2017/18. The average amount of second adult rebate awarded by Christchurch Council in 2017/18 was £248.25 per year.

### **This would not affect:**

- Claimants living in Bournemouth and Poole as Bournemouth's and Poole's Local Council Tax Support Schemes already do not include Second Adult Rebate where the liable person is of working age.

## **Proposal G: Limit the number of dependant children within the calculation of Council Tax Support to a maximum of two for working age claimants**

Housing Benefit rules state for new claims or new dependants, no more than two children are taken into account when calculating an entitlement. It is proposed to include this rule to simplify the new scheme to align with Housing Benefit.

### **This would mean that:**

- new working age claimants would have no more than two dependant children included in the Council Tax Support calculation.
- existing claimants with two or more children born before 1<sup>st</sup> April 2019 would continue to have these children included in the calculation. However, any additional children they become responsible for, on or after 1<sup>st</sup> April 2019, will not be included within the calculation.

### **This would affect:**

- all working age families in Bournemouth, Christchurch and Poole (including protected groups) as detailed above from 1 April 2019.

## **Proposal H: Disregard Bereavement Support Payment and Infected Blood Schemes financial support payments for all working age claimants**

It is proposed to disregard the Bereavement Support Payment & Infected Blood Schemes financial support payments to reflect changes in the Housing Benefit rules in order to provide consistency for those working age claimants.

This means anyone who receives the Bereavement Support Payment and Infected Blood Schemes financial support payments would not have them included in the total income used in any calculations for Council Tax Support.

### **This would affect:**

- All working age claimants in Bournemouth, Christchurch and Poole (including protected groups).

## **Proposal I: Mirror the Housing Benefit temporary absence rules**

Council Tax Support is usually only granted to a claimant who lives in a property as their main home. In certain circumstances, support can continue while you are 'temporarily away from your main home'. The Government changed the Housing Benefit temporary absence rules to introduce a maximum time limit to apply to temporary absences that are outside of Great Britain. This is currently 4 weeks, reduced from 13 weeks. It is proposed to apply these same rules to the new scheme so that they mirror the Housing Benefit Rules to make the scheme consistent for claimants.

### **This would affect:**

- All working age claimants in Bournemouth, Christchurch and Poole (including protected groups) where they became absent from the claim property.

## **Proposal J: Introduce a self-employed minimum income floor**

To be consistent with Universal Credit rules, a minimum income would apply if your self-employed income is less than the National Living Wage (or the National Minimum Wage) multiplied by up to 35 hours worked per week.

If you already receive both Universal Credit and Council Tax Support and are self-employed you will already be subject to this rule within the calculation because of the existing requirements within the Universal Credit and Council Tax Support Legislation.

If you are self-employed, and your business has been running for more than 12 months, but your income from the business is low, we would use a minimum income to calculate your Council Tax Support. This is an assumed income based on what we would expect an employed person to receive in similar circumstances. It's calculated using the National Minimum Wage for your age group, multiplied by up to 35 hours per week, less notional Tax and National Insurance and half of any pension contributions.

If your self-employed earnings are below the minimum income floor, we will use this calculation to work out your Council Tax Support entitlement instead of your actual earnings.

If you have been self-employed for less than 12 months, the minimum income floor will not apply to you. However, if after 12 months of self-employment, your income is below the minimum income floor amount, your Council Tax Support will be recalculated to reflect the minimum income floor calculation.

**This would affect:**

- All working age claimants in Bournemouth, Christchurch and Poole (including protected groups) who are self-employed.

**Proposal K: Introduce fixed period assessments for Universal Credit recipients of 26 or 52 weeks**

It is proposed to only carry out an assessment for those claimants receiving Universal Credit (UC) either every 26 or 52 weeks to see whether any changes in Universal Credit alters their Council Tax Support entitlement.

As Universal Credit is calculated using real time information, a person's entitlement can change for each Universal Credit monthly assessment period. Currently this results in the Local Authorities Benefits Service having to review and revise a claimants' Council Tax Support entitlement monthly, if necessary. A new Council Tax bill is then issued if a change has occurred. This review can take place 12 times per financial year and takes considerable administrative time, when often the Council Tax Support changes by a small amount.

By fixing the assessment period, this will avoid monthly changes to reflect Universal Credit changes. Instead there would be a re-assessment of Council Tax Support every 26 or 52 weeks to take account of the latest Universal Credit income.

**We are asking for your views on this in the consultation questionnaire.**

**This would affect:**

- All working age claimants in Bournemouth, Christchurch and Poole (including protected groups) who claim Universal Credit.

**How to Have Your Say**

You can view the draft scheme in full and fill out a questionnaire online at:

**[www.bcpshadowauthority.com/consultations](http://www.bcpshadowauthority.com/consultations)**

To have a questionnaire sent to you or request the questionnaire in another language or format, then please phone us on:

- 01202 451243 if you are a claimant in Bournemouth
- 0345 034 4569 if you are a claimant in Christchurch or Poole

**What happens next?**

Once the consultation feedback has been analysed, the results will be presented to the Shadow Authority in December 2018, with a view to introducing any changes from April 2019.