

Policy Review and Development Panel

Grand Jury Room, Town Hall
6 August 2012 at 6.00pm

The Policy Review Panel deals with reviewing policies and issues at the request of the Cabinet or Portfolio Holder, or pro-actively identifying issues that may require review; dealing with those issues either directly or by establishing Task and Finish Groups, monitoring progress of these Groups and assessing their final reports.

Information for Members of the Public

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Terms of Reference

Policy Review and Development Panel

- To review strategies and policies at the request of the Cabinet either directly or by establishing Task and Finish Groups, and to make recommendations back to Cabinet for decision.
- To review issues at the request of a Portfolio Holder either directly or by establishing Task and Finish Groups and to make recommendations back to the Portfolio Holder for decision.
- To monitor progress of Task and Finish Groups and assess their final reports prior to their submission to either the Cabinet or the Portfolio Holder.
- To proactively identify issues that may require review and improvement and to seek Cabinet's agreement as to whether and how they should be examined.

**COLCHESTER BOROUGH COUNCIL
POLICY REVIEW AND DEVELOPMENT PANEL
6 August 2012 at 6:00pm**

Members

Chairman : Councillor Julie Young.
Deputy Chairman : Councillor Mark Cory.
Councillors Nigel Chapman, Mark Cable, Barrie Cook,
Margaret Fairley-Crowe and Jo Hayes.

Substitute Members : All members of the Council who are not Cabinet members or members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 6 are normally brief and the last Agenda Item is a standard one for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgment of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

6. Minutes

To confirm as a correct record the minutes of the meeting held on 18

June 2012

7. Localised Council Tax Support 2013/14

4 - 31

See report by the Head of Resource Management.

Nicole Wood, Assistant Director of Financial Management, Essex County Council, and Liz Slingsby, Financial Analyst, Essex County Council, will be in attendance to assist the Panel.

8. Work Programme 2012-13

32 - 34

See report by the Head of Corporate Management

9. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

POLICY REVIEW AND DEVELOPMENT PANEL

18 JUNE 2012

Present :- Councillor Julie Young (Chairman)
Councillors Mark Cable, Nigel Chapman and
Barrie Cook

Substitute Members :- Councillor Bill Frame for Councillor Mark Cory
Councillor Richard Martin
for Councillor Margaret Fairley-Crowe
Councillor Laura Sykes for Councillor Jo Hayes

3. Minutes

The minutes of the meetings held on 5 March and 23 May 2012 were confirmed as a correct record.

Councillor Nigel Chapman and Councillor Laura Sykes (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Laura Sykes (in respect of being a Trustee of the Rosemary Almshouses) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

4. Work Programme 2012-13

The Panel considered a report by the Head of Corporate Management giving details of the work programme which included specific reviews and initiatives previously scheduled by the Panel or already requested by the Cabinet. The meeting in August had a 'Localism' theme to the items of business and it was suggested that the Panel could consider continuing this themed approach for some of the future meetings.

It was hoped there would be opportunities to use techniques that had worked in the past to encourage added participation and discussion, involving invitations to stakeholders to attend the meetings.

Discussion took place regarding the need to adequately publicise the meetings in order to attract better attendance from external partners and the public and the possibility of the meeting in September being given an Encouraging Enterprise theme. Similarly for the meetings in January and February 2013 to concentrate on Town and Rural related themes.

The report also provided detailed updates on the current situation regarding each of the Task and Finish Groups and Councillors J Young, Frame and L Sykes were given the opportunity to give more detailed information in their respective capacities as Chairmen

of the Waste and Recycling Options Appraisal, Future of the Magistrates' Courts and Older Persons Accommodation Task and Finish Groups.

Discussion took place regarding:

- The recent move to fortnightly residual waste collection for those residents included in the Food Waste trial;
- Measures to influence residents willingness to adopt recycling habits;
- The benefits of the visits to different models of care homes which had been undertaken by the Task and Finish Group;
- The contribution of the Group to the formulation of Draft Older Persons Accommodation Strategy which was due to be circulated for consultation;

Councillor Harrington attended and, with the consent of the Chairman, addressed the Panel regarding the lack of progress in introducing 20 mph speed limits in Colchester and, West Bergholt in particular. He requested that the Chairman of the Panel consider revisiting the issue with the Essex County Council Cabinet Member for Highways and Transportation.

Councillor J Young explained that she had been appointed to the newly formed Local Highway Panel, now administered by Essex County Council, and intended to use time at the first meeting to raise this matter with Councillor Derrick Louis, the Essex County Cabinet Member for Highways and Transportation. She also expressed her willingness to send a further letter on behalf of the Panel to confirm the Panel's continued commitment to 20 mph limits being introduced in various locations in Colchester.

The Panel members were disappointed with the lack of progress in securing an up to date response from Essex County Council regarding its position on support for the introduction of 20 mph speed limits. Reference was also made to the need for the more prompt adoption as highway of the roads within new residential developments to enable the lower speed limits to be enforceable.

RESOLVED that –

- (i) The current situation regarding the various Task and Finish Groups and the provisional scheduling of initiatives and reviews already identified by the Cabinet be noted;
- (ii) The suggestions regarding themes for future meetings and associated publicity be welcomed and further work be undertaken to assist in the success of this approach;
- (iii) Arrangements be made for a letter to be sent from the Chairman, on behalf of the Panel, to Essex County Councillor Derrick Louis, the Cabinet Member for Highways and Transportation, confirming this Panel's continued commitment to secure the introduction of 20 mph speed limits in various locations across the Borough;
- (iii) The Council's Spatial Policy Manager be informed of this Panel's view regarding the more prompt adoption as highway of the roads within new residential developments to enable the lower speed limits to be enforceable with a view to

measures being investigated to address this issue.



Policy Review and Development Panel

Item
7

6 August 2012

Report of	Head of Resource Management	Author	John Fisher ☎ 282326
Title	Localised Council Tax Support 2013/14		
Wards affected	All wards		

The Panel is asked to review proposals for a new policy to create a Localised Council Tax Support scheme.

1 Decision Required

- 1.1 The Panel is asked to review proposals for a new policy to create a Localised Council Tax Support Scheme.

2 Reasons for Decision

- 2.1 The Welfare Reform Act abolishes Council Tax Benefit (CTB), and replaces it with a local Council Tax Support scheme. The new scheme has a number of objectives:
- to reduce grant funding of the new scheme by 10%. This equates to c£2m compared to the subsidy paid to the Council for CTB;
 - protect pensioners so that they are unaffected by the changes;
 - protect people in vulnerable groups, defined by local authorities. Authorities have to prevent child poverty, meet disabled people's needs and prevent homelessness;
 - support initiatives encouraging people into work as part of welfare reform
- 2.2 A new Local Government Finance Act will create the Council Tax Support (CTS) scheme, removing most of the existing complex legislation. This will mean the majority of CTS awards will be based on criteria created and administered by each local authority, having consulted with precepting authorities (Essex County Council, Fire and Police authorities) and the public. National regulations will direct how authorities will support pensioners, with little change to the way their entitlement is presently decided.
- 2.3 The Council is required to produce a scheme for consultation, which will be carried out during August and September. The Panel is asked to help and inform the development of a detailed scheme. Strategic Overview and Scrutiny Panel will then consider final proposals for pre scrutiny prior to recommendations by Cabinet to Council on 6 December.

3 Alternative Options

- 3.1 The new regulations will set out the requirement for the Council (as a billing authority) to design and implement its local scheme, with some flexibility to decide its own criteria. To do this, members have to decide whether to:
- create an entirely new scheme or base it on the old one;
 - meet a shortfall of government funding from the Council's budget;
 - reduce support for some current recipients to deliver a cost neutral scheme;
 - default to rules imposed in government regulations with no control of criteria or cost.

4 Supporting Information

Progress to date

- 4.1 In recognising that major precepting authorities will share the financial risks associated with CTS, representatives from all the Essex billing authorities and Essex County Council have been working together to jointly develop a county wide framework, reflected in the proposals in this report.
- 4.2 New draft regulations set out that the Council must finalise its local scheme by 31 January 2013. Failure will trigger a default scheme, the cost of which would almost certainly be higher than the level of grant funding, resulting in a budget pressure
- 4.3 The Essex project group has looked for ways to create affordable local schemes, with the priority to minimise the impact on existing and future claimants. This has led to recommendations accepted by the major precepting authorities to develop cost neutral schemes.
- 4.4 Regulations will require that pension age people will not be affected financially when their existing claims move to CTS. It also directs that councils should consider steps to encourage people to find work, protect vulnerable people, and prevent child poverty.
- 4.5 Effectively, a cost saving can only involve and impact working age people. To provide some local context, 61% of these presently pay no Council Tax because of the type or the low level of their income. On average each person's Council Tax Benefit is c£940.
- 4.6 To make a sufficient saving would involve continuing full support to some as we do now, and impact the minority of people; or spread the reduced level of support across all working age claims. This could mean either:
- people with low means-tested incomes (presently receiving partial Council Tax Benefit) would lose about two thirds and have to pay c£660 more (£12.70 more per week); or
 - every working age person would pay about c£260 more (£5 more week) on average.
- 4.7 The main effect, of spreading the saving across all working age claims, is that the majority who presently pay nothing would have to pay something. This creates a challenge to maintain our high collection rates, as it is possible requests to defer or protract payments will increase; or those affected might decide to delay or not pay, increasing effort and cost for administration, leading to more people going through the legal process of recovery.

Proposal

- 4.8 Modelling using current caseload data illustrates the financial effect of possible changes to the benefit scheme. The following table sets out the current key proposals to address the £2m shortfall in 2013/14 with supporting comments on each area.

Note	Action	Number affected	Value £'000
1	Maximum liability 80%	7,736 (all)	1,508
2	£6,000 capital/savings limit	56	43
3	Abolish Second Adult Rebate	63	13
4	Flat rate £10 non-dependent deduction	230	96
5	Take account of maintenance in full	288	99
	Take account of Child Benefit in full	1471	382
	Total working age impact		2,141

Explanatory Notes:

- 1) Currently Council Tax Benefit is awarded or calculated based on the claimant's full liability (100%). Instead, the proposal is to use 80%, meaning each working age claimant would have to pay at least £3.74pw more than they do now.
 - 2) Council Tax Benefit takes account of 'tariff income' in lieu of interest on their savings between £6,000 and the current £16,000 limit. A single limit of £6,000 for Council Tax Support, and abolition of tariff income, will simplify the new scheme by removing complicated administration and explanation; and could be held to indicate support is for people in more immediate financial need.
 - 3) Second Adult Rebate is paid when the claimant's income is more than other people in their home. In practice, it is complicated to promote and explain, difficult to administer; and has proved to be ineffective as a solution and no real advantage for collection.
 - 4) The existing range of 5 rates of 'non-dependent' deduction, reflecting the number and incomes of other people in the claimant's home, require claimants to ask for (and prove) private details about wages and details from the people they live with. A single flat rate in future would stream line the application process and remove the need to know other people's incomes, making the process easier and more transparent.
 - 5) Child Benefit and child maintenance is currently disregarded in full. £15 of maintenance for adults is disregarded. This is in contrast to no disregard for most other types of unearned income and a £5 disregard for most earnings. This seems to give an advantage to people receiving maintenance, particularly when it is high to the extreme of being affluent. It is proposed to remove the disregards for maintenance to make it fairer for everyone, helping to distribute the budget saving fairly.
- 4.9 Retention of existing extra living allowances for children and families, higher earnings disregards, and allowances for child care fees, act to safeguard against child poverty
- 4.10 It is proposed the current safeguards for vulnerable claimants, for example people who are blind or receiving Attendance Allowance, exempting them from non-dependent deductions, would continue.

Other possible options

- 4.11 The following table shows other options from modelling, which could reduce the overall cost of the new scheme; but which are not presently recommended.

Note	Action	Number affected	Value £'000
1	Limit maximum liability to band D	231	86
2	Limit dependents allowance to 3 children	84	53
3	Increase income taper to 30%	1,821	310
4	Abolish other disregards for unearned income	1,890	766
	Total working age impact		1,215

Explanatory Notes

- 1) In principle, limiting the amount of liability used in the calculation to lower banded properties, would add to the impact of restricting liability. The means-tested system proposed should avoid disparity or undue advantage as, in particular, there may be reasons why people remain in higher banded homes, for example by bereavement.

The proposed scheme also takes account of large households by the flat rate non-dependent deductions. It is suggested that a key issue is to avoid complexity and confusion, which is likely by combining both using 80% liability and a virtual cap for higher property bands.

- 2) A limit of the allowance for the number of children in the means-test would be difficult to administer, possibly having to consider whether to give exemption for some circumstances, for example to take account of parent's or children's disabilities. In particular, other proposals for savings may be easier for people to manage. It is also more likely larger families could be in poverty, which the proposed policy is intended to safeguard as much as possible.
- 3) The taper is part of the calculation applied to income higher than the claimant's Living Allowance (the national standard of living). 20p in the pound of their excess income reduces their Council Tax Benefit to the extent that, if their income is too high, they will not qualify. Increasing the taper (from the existing 20%) will mean people would have to pay more Council Tax from their deemed disposable income.
- 4) In addition to the disregards already highlighted for earnings and maintenance, there is a variety of others, mainly intended to protect vulnerable people, particularly those who are extremely ill or disabled. Many of these people receive several national benefits by which the sum of their incomes can be high and perhaps mean they are better able to afford their Council Tax. At this stage, removing all disregards seems unnecessary in terms of the overall cost of the support scheme. Retaining the disregards for disabled people enables the existing safeguards to continue, minimising how much more they will have to pay.

Other scheme changes

- 4.12 The current regulations require the Council to consider a claimant's 'underlying entitlement' when they have been overpaid. This is mainly caused by changes of people's circumstances and how long they can take to tell the Council, in relation to a one month time limit for a change that would increase their benefit. It is proposed to remove underlying entitlement for Council Tax Support and, although people will still be expected to report changes straight away, they would be taken into account from when they occur. Separate penalties can be applied for failure to supply information.
- 4.13 An entitlement to Council Tax Benefit can be extended for four weeks when a person starts work and has been unemployed for 26 weeks, supposing their new job will last five weeks. This makes the rules more complex and adds to administration and explanation, with an inherent risk of abuse. It is proposed to remove this provision as part of Council Tax Support, to be replaced by a specific and more cost effective 'Back to Work' discount of £100. On application, the applicant would demonstrate they had been unemployed and received Council Tax Support (or Council Tax Benefit) for a continuous year, and had since stayed in work for six months. Shown separately on the bill, this would give a clearer more tangible recognition and reward.
- 4.14 As a further incentive to work, it is also proposed to investigate the (increased) cost of changing the current range of four earnings disregards (of £5, £10, £20 and £25) relative to the claimant's circumstances. It is proposed to simplify the new support scheme by the introduction of a single (flat rate) £25 disregard. This would be perceived as a greater incentive, albeit it would be affected by the taper in the calculation, by which the true gain of support would be less.

- 4.15 Some people who will be expected to pay more may not have the means to do so. The abolition of Council Tax Benefit also removes the provision for corresponding Discretionary Housing Payments. As an alternative, it is proposed to give a discretionary discount to people who receive Council Tax Support, to help them pay some or all of the balance depending on their exceptional circumstances. The amount of savings identified would provide for a discretionary fund of c£50,000, paid for by arrangement with the major precepting authorities for the way the collection fund is managed and distributed.
- 4.16 In preparation to create the new policy, all the Essex billing authorities and Essex County Council have worked closely together to coordinate activities, by which a framework was created reflected by this report. As a result, respective Council members are considering similar proposals to these, tailored to each authorities grant funding and local needs
- 4.17 A shortened version of the draft policy is appended to this report.

5 Proposals

- 5.1 It is proposed to continue the development of a cost neutral Local Council Tax Support Scheme. The Panel is asked to consider and comment on the recommended criteria to be included in the new scheme set out in paragraph 4.8.
- 5.2 The Panel is also asked to comment on the principles to:
- remove underlying entitlement as set out paragraph 4.12;
 - abolish Extended Payments explained in paragraph 4.13, with the aim to introduce a new Back to Work discount;
 - model the cost of increasing the current range of discounts to a single flat rate earnings disregard £25;
 - to develop a Discretionary Support Fund, based on the same criteria as Discretionary Housing Payments.
- 5.3 If approved, these criteria would be included in a Council Tax Support policy document.

6 Strategic Plan References

- 6.1 The Council's Strategic Plan sets out several priorities including:
- delivering an efficient benefits service
 - supporting more vulnerable groups.

7 Consultation

- 7.1 The Local Government Finance Bill sets out that Billing Authorities have to hold a public consultation on CTS proposals. It has been agreed that all Essex authorities will start a formal 6 week consultation on 1 August. The questions have been designed by the Pan Essex group. This facilitates comparison and joint evaluation. The shortened version of the draft policy would be available as a guide to refer to for the consultation.
- 7.2 A requirement to formally consult with the major precepting authorities (Essex County Council, Essex Police Authority and Essex Fire Authority) has taken place and been agreed.

8 Publicity Considerations

- 8.1 A communication plan has been developed by all the Essex authorities Letters will be sent to all working age claimants, in addition to a wide range of publicity. This includes the Council's website, which introduces the consultation and how to respond.

9 Financial Implications

- 9.1 The Government has issued a consultation paper setting out proposals for funding arrangements for the CTS scheme. Based on this there is an estimated funding gap of c£2m. The cost of the scheme and funding will be borne by the major precepting authorities in proportion to their current precept size, currently this equates to 11.8% for Colchester.
- 9.2 The draft proposals within this report set out options for delivering a “cost neutral scheme”, in other words, the cost of the CTS scheme should be in line with funding available.
- 9.3 However, there are a number of potential financial risks that will need to be considered. These include:

Recovery of Council Tax. There is a risk of a lower level of collection of Council Tax given that more people will have to pay Council Tax.

Recovery costs and resources. The number of people paying Council Tax will increase and we will need to consider the impact on resources.

Demand. Under the existing benefit scheme there is no direct financial impact on the Council of changes in the amount of benefit paid. Under the CTS scheme the Government grant will be a fixed sum and therefore any increase will be borne by all of the major preceptors including Colchester.

- 9.4 The CTS scheme is based on a Council Tax discount, or in other words a reduction in the amount of Council Tax due. The proposed methodology for reflecting the cost of this is therefore to show it as a reduction in the Council Tax base (the number of equivalent Band D properties). In simple terms this will mean that the amount of Council Tax due will be less by the amount of Council Tax Support provided. On the basis of a cost neutral scheme this reduction in Council Tax should equal the level of Government grant provided. This will be considered in more detail in future budget reports

10 Equality, Diversity and Human Rights Implications

- 10.1 An Equality Impact assessment (EQIA) has been carried out of the draft policy in preparation for this report and for the consultation, and is available on the Council’s website, or click [here](#).

11 Community and Safety Implications

- 11.1 The proposals contain provisions for dealing with concerns for resident’s welfare, particularly vulnerable people and to avoid child poverty. It is intended to limit hardship to avoid giving rise to crime and disorder.

12 Health and Safety Implications

- 12.1 There are no health and safety implications.

13 Risk Management Implications

- 13.1 As highlighted earlier in the report there are a number of financial risks associated with the proposed introduction of the CTS scheme. The Council’s agreed policy cannot be changed until the following financial year (2014/15). This therefore places an importance of the role of monitoring the costs of the CTS scheme and the impact on collection rates.



Local Council Tax Support Draft policy guide

A summary of the scheme

Introduction

As part of the major changes to the Welfare Benefits system, from 1st April 2013 Council Tax Benefit will end and is to be replaced by a new scheme called Localised Support for Council Tax or Council Tax Support. Both systems are means tested which means that they compare your income and capital against an assessment of your needs.

The new scheme will largely be decided by each Council rather than nationally (as now). Funding to each Council will be reduced and if you are of working age the amount of help you receive will be less than under the current scheme (Council Tax Benefit).

Regulations will protect pensioners (persons who are of an age where they can claim pension credit) and therefore if you are a pensioner and are currently receiving Council Tax Benefit, then the amount of help you receive under the new Council Tax Support scheme will be broadly the same and operate in a similar way to the current 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 Council Tax Support scheme divide the persons who can claim support into various classes. The classes or groups are set out in regulations (law made by the Government) for pensioners and the classes or groups for working age applicants are set by the Council.

With the introduction of Council Tax Support, people who already receive Council Tax Benefit will automatically change to the new scheme. In particular, they will not be required to apply to for Council Tax Support, and the details they have already provided will continue to be used.

Initially, for people already getting Council Tax Benefit, the Council will write to them in March 2013, showing their new Council Tax Support and the details used to calculate it. It will then be important that the claimant or someone helping them should check their details, and let the Council know if they have changed.

The yearly amount of Council Tax Support will be shown as part of each person's Council Tax bill. This will also set out how much is left to pay and how to pay it.

Any questions or comments about this guide should be sent in writing to:

LCTS Consultation,
Resource Management, Colchester Borough Council,
PO Box 886, Colchester, CO3 3WG.

Or email lcts@colchester.gov.uk

<p>This is a draft document setting out proposals to be considered and agreed by the Council, and may change depending on funding details and further development of the scheme.</p>
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The draft Council Tax Support 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 Council Tax Support that can be provided:

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 or on an 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 £6,000;
- e. be a person whose income is **less** than their living allowances (*applicable amount*) or the claimant or partner is in receipt of Income Support, Jobseekers allowance (income based) 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 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 council tax support amount can be calculated;
- e. not have capital savings above £6,000;
- f. be a person whose income is **more** than their living allowances (*applicable amount*);
- g. have made a valid claim for support;

Council Tax Support payable to working age people

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 a maximum of 80% of their council tax liability. This also applies if a person in receipt of income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance

If a person matches the criteria in Class 2, it will mean the person's *income* is greater than their living allowances (*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 2013/14, the maximum council tax liability will be 80% of council tax the person is liable to pay.

Note: for the purpose of this draft document, the proposal to base liability on 80% is indicative. The Council may decide to use a lower percentage, depending on funding details and further development of the scheme.

How Council Tax Support works

Who can claim?

If you have to pay Council Tax, you may be able to get Council Tax Support (CTS) from 1st April 2013.

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 continue to be eligible for benefit.

Most full-time students are not entitled to Council Tax Support.

How much Council Tax Support can I get?

Maximum CTS 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.

Capital

Savings and investments (capital) may have an effect on the assessment of your income. Capital will only affect your income if you are of pension age and have more than £6000. If you are working age and have more than £6,000, you will not normally be able to get Council Tax Support. The figure is £16,000 if you are of pension credit age.

How to claim

New claims for Council Tax Support can be made electronically using the Council's e-claim interactive form, in writing or by telephone. See the Council's website at colchester.gov.uk/claim for more details or phone 01206 282600.

With the introduction of Council Tax Support, people who already receive Council Tax Benefit will automatically change to the new scheme. They will not be required to apply for Council Tax Support, and the details they have already provided will continue to be used.

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 Council Tax Support, 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 Council Tax Support. 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.

Information and evidence

The Council may need more information or supporting evidence so that they can calculate your Council Tax Support. 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 contact 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 Council Tax Support

The Council will deal with your claim for Council Tax Support 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 provided that the claim form is returned to an office of the authority within one month of the claim form being issued.

If you change your address

If you move to a different Council's area, you would have to contact them to claim their Council Tax Support. Their scheme may be different. You must tell us when you move from our area, so we can stop your Council Tax Support and send you a revised bill.

Backdating a claim

If you are of working age, your claim to Council Tax Support may be backdated in some circumstances. You must prove to the Council that there was continuous good cause for not having made an earlier claim. However, for working age customers the maximum time the council can go back is 3 months from the date your claim for backdating was actually made. You must show there was 'good cause' for not making an earlier claim throughout the whole of any period you want backdated up to the date your claim for backdating was made.

If you have reached the qualifying age for state pension credit your Council Tax Support 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 Council Tax Support

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 the Council Tax and become entitled to support because you have less money or your applicable amount changes, you also start getting benefit on the Monday after you claim.

Appointees

An appointee, for the purposes of Council Tax Support, is someone over 18 appointed by the Council, to manage the Council Tax Support claim of someone who is incapable of doing so themselves (mainly because of mental incapacity).

If you are already an appointee for other benefits and wish to be the appointee for Council Tax Support, 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 authority 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.

How is maximum Council Tax Support calculated for the Working Age Scheme?

For the Working Age scheme, the maximum Council Tax Support is set by the Council as up to 80% (see note on page 4) 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 Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance then you will receive the maximum Council Tax Support.

How is maximum Council Tax Support calculated for the Pension Age Scheme?

For the Pension Age Scheme the maximum Council Tax Support 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 Council Tax Support.

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 Council Tax Support you could get with:

- your needs (called your living allowances or applicable amounts); and
- your income and capital resources.

Absences from home

There are some special situations in which you may continue to get Council Tax Support and these are explained below.

Going away

You should normally let the council know if you are temporarily absent. But the Council may not need to know if you will be absent for only a short time (for example 2-3 weeks) and your circumstances remain unchanged. If in doubt, ask us.

If you are temporarily absent you can normally get Council Tax Support for a maximum of 13 weeks as long as you:

- intend to return home; and
- you will not let or sub-let the part of your home you normally live in your absence; and
- you will not be away for longer than 13 weeks.

In certain circumstances, you may be able to get Council Tax Support 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
- you will not let or sub-let the part of your home where you live in your absence; and
- you will not be away for longer than 52 weeks.

Council Tax support when you have a new partner

You and your partner will be jointly and severally liable for the 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 later, after the week in which your partner becomes jointly liable for Council Tax, support for you and your partner can only be paid from the Monday following the day after you told the Council. In this case, the Council will re-assess your support entitlement from the Monday following the day you or your partner tell us, taking into account any income and capital you or your partner has.

End of Council Tax Support

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 Council Tax Support stops on the day you stop being liable. If you no longer qualify for Council Tax Support because, for example, your income increases or your applicable amount changes, your Council Tax Support will be stopped from the beginning of the next support week.

End of Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance entitlement and Pension Credit Guarantee

If you stop getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee, you must tell the Council and they will have to stop your Council Tax Support. 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-dependant deductions

Any non-dependants who normally share your accommodation could affect the amount of Council Tax Support you get whether or not you are also getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee

These 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/ladies and their partners.

They do not count as part of your household.

Non-dependant deductions from Council Tax Support

Non-dependants are people like grown-up sons or daughters and elderly relatives. If you have non-dependants living with you, your Council Tax Support may be affected.

Deductions will be made from your Council Tax Support for non-dependants aged over 18 who normally live with you. There is one level of deduction of £10 for each non-dependent.

A deduction will not be made for a non-dependant if the claimant or partner is:

- Registered blind or ceased to be within the last 28 weeks;
- Receives the care component of Disability Living Allowance at any rate;
- Receives Attendance Allowance or Constant Attendance Allowance.

A deduction will also not be made if the non-dependant is:

- receiving Income Support, income based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee;
- aged under 18 years;
- a full-time student
- receives Work Training (YT) Allowance
- in prison or detention;
- has been in hospital more than 52 weeks;
- does not normally live there;
- disregarded for Council Tax discount purposes.

Working out the amount of Council Tax Support

The maximum amount of Council Tax Support 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.

Calculating your needs - Living Allowances or Applicable Amounts

The living allowances (also known as applicable amounts) represent the needs of you and your family if you have one. The larger your family 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.

For the Pension Age scheme this is set out in national regulations. For the Working Age scheme this is set locally by the Council. Your living allowance 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.

Personal allowance

Your living allowance (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 a child has left school and starts work before the Child Benefit stops.

Income less than your living allowance

In this case you get maximum Council Tax Support (depending on whether you are of Pension Age or Working Age this may vary in amount). You will also get maximum Council Tax Support if your income is the same as your applicable amount.

Income greater than your living allowance

In this case you will get an amount less than your maximum Council Tax Support. The amount by which your Council Tax Support 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 Council Tax Support

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.

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.

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.

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.

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 get any of the following benefits:

- Personal Independence Payments (replacing Disability Living Allowance) ;or
- 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, 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, 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, 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 Council Tax Support 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, or Attendance Allowance (AA); or
- people caring for you who are employed by a charity making a charge for this service.

Work Related Activity Component

This is awarded where you or your partner receives main phase Employment and Support Allowance and receive a similar component within that benefit

Support Component

This is awarded where you or your partner receives main phase Employment and Support Allowance and receive a similar component within that benefit

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) or where the claimant is in receipt of Employment and Support Allowance Support Component. This premium will remain in payment if the DLA is suspended during hospitalisation. This premium is awarded at three different rates. They are for:

- each dependent child/young person in your household paid the highest rate of DLA;
- single person who receives the highest rate of DLA;
- couples where at least one member of the couple receives the highest rate of DLA.

Carer Premium

The Carer Premium is awarded if either you or your partner are looking after a disabled person and receive:

- Carer's Allowance; or
- Receive Carer's Allowance and would be entitled to it 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 Council Tax Support (the disregards), or taken fully into account.

Normally, 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, 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.

Earnings from employment means 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, if 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 Council Tax Support.

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 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.

If the authority feels that your income from self-employment is not representative, it will calculate your net profit based on the number of hours worked multiplied by the national minimum wage.

Childminders

If you are a childminder only one third of your earnings from childminding will be taken into account when your council works out your Council Tax Support.

Earnings and earnings disregards

After working out your net earnings, any amount that is not counted in the calculation of your Council Tax Support is known as a disregard.

The amount of your earnings that is not counted depends on which premium is included in your living allowance (applicable amount), as explained earlier in this guide.

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
- a component with Employment and Support Allowance; 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 eight weeks after caring ceases.

If you have a partner, your earnings are added together when your Council Tax Support 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 childminders 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 Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee, then any earnings you get will not be counted again in working out Council Tax Support.

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. Other incomes such as child maintenance and adult maintenance will be counted in full.

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.

Unearned income that is not counted

The following types of income are not counted by the Council when it works out your Council Tax Support:

- any income you get if you are getting the Guarantee Credit or Pension Credit, Income Support, income related Employment and Support Allowance (ESA) or income-based Jobseeker's Allowance (JSA);
- Disability Living Allowance (DLA);
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA);
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries Disablement Benefit;
- 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

Some types of income may be counted as capital.

State benefits

The following benefits are counted in full as income for Council Tax Support:

- Child Benefit
- 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).

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 Council Tax Support 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.

Students

Council Tax Support 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.

Student loans 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 your 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.

Money you receive in your loan is your income for the period from the start of September to the end of June and is divided into a weekly amount by the number of weeks in that period.

If you receive a dependants grant it 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 Council Tax Support. 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 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 Council Tax Support. 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

Student's other income 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 student 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.

Student's Access funds

These discretionary payments are made by educational establishments to students facing financial hardship. The amount of payments to be taken into account depends on how it is paid and what the payment is for. Some payments from the funds can be disregarded in full.

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 Council Tax Support

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. If you have capital over £6,000 no support will be granted.

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 £6,000. Actual interest payments or dividends are not counted as income but as capital.

For people who receive the Guarantee Credit of Pension Credit there is no upper limit on the capital you can have.

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 got rid of capital just so that you can get Council Tax Support, 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 HB/CTB 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 legal charges on the property or mortgages 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 Council Tax Support.

Arrears of benefits

Any arrears of Disability Living Allowance, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, 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.

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.

Compensation payments

For Council Tax Support 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.

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 Council Tax Support or to get more Council Tax Support.
- 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.

The Council Tax Support scheme for Pensioners **(People who have reached the age at which pension credit can be claimed)**

Regulations will set out three classes and the Council will decide which class each applicant is in. The class will determine the level of Council Tax Support 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 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 out in the regulations; 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 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 applied for the scheme; and
- f. Have assessed income above the set living allowances set out in the regulations.

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 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 application for the for a 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 in the regulations.

What Council Tax Support 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 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.

Council Tax Support for 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.

The regulations will prescribe how Council Tax Support for pension age people is calculated.

The following applies to everyone receiving Council Tax Support.

How Council Tax Support is paid

If you are liable to pay the Council Tax, the Council will normally send you a Council Tax bill from which your Council Tax Support 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 Council Tax Support

The Council will reach a decision on your entitlement to Council Tax Support as soon as possible after your claim and all supporting evidence is received, and will write to you.

How to 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 Council Tax Support 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 Council Tax Support 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 Council Tax Support.

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 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 Council Tax Support

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 Council Tax Support in the following support week, but changes in the amount of council tax payable will affect your Council Tax Support from the day on which the change occurs.

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 Council Tax Support;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

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 council tax support, council tax liability, billing, administration and enforcement

The Council may receive and obtain information and evidence relating to claims for Council Tax Support, the council may receive or obtain the information or evidence from–

- a. persons making claims for council tax support;
- 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 Council Tax Support purposes.

Policy Review and Development Panel

Item

8

6 August 2012

Report of	Head of Corporate Management	Author	Amanda Chidgey
Title	Work Programme 2012/13		 282227
Wards affected	Not applicable		

This report sets out the current Work Programme 2012/2013 for the Policy Review and Development Panel.

1. Decisions Required

- 1.1 The Policy Review and Development Panel is asked to note the current situation regarding the Panel's work programme for 2011/12.

2. Alternative options

- 2.1 This function forms part of the Panel's Terms of Reference and, as such, no alternative options are presented.

3. Introduction

- 3.1 The terms of reference for the Panel involve reviewing and making recommendations on strategies and policies at the request of the Cabinet or a portfolio holder and making recommendations back to Cabinet for decision. In addition the panel can proactively identify issues requiring review and, accordingly, seek Cabinet's agreement as to whether and how they should be examined.
- 3.2 The Panel's work programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting of the Panel, the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances.

4. Supporting Information

- 4.1 The Work Programme has been updated since the meeting of the Panel held on 18 June 2012 to reflect the decisions that were made at the meeting.
- 4.2 It has also been necessary to amend the work programme to take account of the need to move the item relating to Localism. The Portfolio Holder responsibilities for this issue have been transferred to Councillor Feltham and discussions are continuing with her in relation to Colchester's aspirations for Localism and it is necessary to provide more time for these discussions to proceed before the Policy Review and Development Panel is asked to consider the issue itself. As a consequence, this item of business has now been scheduled for the November meeting of the Panel.
- 4.3 For the Panel's information, the Conservative Group has indicated its intention to change the membership of the Waste and Recycling Options Appraisal Task and Finish Group.

Councillor Lissimore is the current Shadow Portfolio Holder for Street and Waste Services and will therefore take the [lace of Councillor Ellis at future meetings.

- 4.4 In addition Executive Board has asked for a Task and Finish Group to be set up to look into the ways technology might be used by the Council in terms of facilitating improvements in community engagement. At the time of writing the report the Group Leaders have been asked to nominate representatives to the Task and Finish Group on a 2 -2 -1 -1 basis.

5. Strategic Plan References

- 5.1 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance, of which the review and development of policy are parts, underpins the implementation and application of all aspects of the Council's work.

7. Standard References

- 7.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

**Policy Review and Development Panel
WORK PROGRAMME 2012/13**

	<u>18 June 2012</u>	<u>6 August 2012</u> <i>Meeting theme 'Localism'</i>	<u>10 September 2012</u> <i>Meeting theme 'Encouraging Enterprise'</i>
Policy Initiatives		Localising Council Tax // Support from Government – Initial Outline of Options	
Review of Corporate Policies			Economic Development Strategy 2010-2015
Task and Finish Groups			Older Persons' Accommodation Task and Finish Group //Final Recommendations

	<u>5 November 2012</u>	<u>14 January 2013</u> <i>Meeting theme 'Town Issues'</i>	<u>25 February 2013</u> <i>Meeting theme 'Rural Issues'</i>
Policy Initiatives			
Review of Corporate Policies	Localism Equality and Diversity // Annual Report		
Task and Finish Groups	Waste Prevention and Recycling Options Appraisal // Final Recommendations		

Task and Finish Groups	Membership 2012-13
Future of the Magistrates' Courts	Councillors Davies, Frame, G. Oxford, Sutton, L. Sykes J. Young
Waste Prevention and Recycling Options Appraisal	Councillors Cope, Cory, Ellis*, B. Oxford, Willetts and J Young * to be replaced by Councillor Lissimore
Older Persons Accommodation	Councillors Kimberley, Lewis, Lilley, Mudie, B Oxford and L Sykes

