

Local Council Tax Support Scrutiny Review

September 2019



Stockton-on-Tees
BOROUGH COUNCIL

Big plans, bright future

Today's Discussions

- Quick Re-cap
- Caseload Statistics
- Minimum Contribution – LA Comparisons
 - How it affects the calculation
- Summary of the current process
- Council Tax Bands
- Collection and arrears
- Next steps - Developing ideas
- Questions?

Re-Cap of Previous Discussions

- A new or revised scheme should:-
 - Consider the impact of the current minimum contribution rate (20%) on customers and the council
 - Be easy to administer, understand and explain
 - Take into account individual circumstances, needs and ability to pay
 - Take account of the cost of administration and available funding
 - Consider the impact on collection rates
- Today's meeting - to provide further information to Members on the workings of the current scheme

Council Tax Support Caseload Statistics

18/19 87,262 Council Tax Customers

Year	Working Age Customers not in receipt of UC	Universal Credit Customers		Total Working Age Customers	Pensionable Age Customers	Caseload Total
14/15	12,077	n/a		12,077	8,382	20,459
15/16	11,875	54		11,929	8,038	19,967
16/17	11,583	393		11,976	7,514	19,490
17/18	11,231	485		11,716	7,188	18,904
18/19	8,860	2,588		11,448	6,937	18,385



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Council Tax Minimum Contribution

- Since 2013 Working Age Council Tax Support customers have a minimum of **20%** of their Council Tax liability to pay. There is no minimum charge for Pensioners.
- In 2018/19 the cost of the scheme was £15,682,299 split between

➤ Working Age	£8,814,834
➤ Pensionable Age	£6,867,465

Council Tax Support customers in nearby Local Authorities have a minimum charge of:-

➤ Darlington	20%
➤ Durham	0%
➤ Hartlepool	12%
➤ Middlesbrough	15%
➤ Redcar & Cleveland	17.5%

The Calculation

1. All discounts, exemptions and reliefs are applied to the full Council Tax charge.
2. 20% is deducted – this will be the minimum contribution the customer is responsible for.
3. The remaining 80% is used to carry out the assessment outlined in the following slides - customers will be entitled to Council Tax Support ranging from 0% - 80% of this amount

Example

Single Person Aged 22

- Receives £57.90 per week - Income Based Job Seekers Allowance
- Band A property Charge of £1277.70 minus 25% single person discount = £958.28
- Working age contribution of 20% = £191.66
- Monthly charge over 12 months = £15.97 (£3.69 per week)

Current Scheme – The Process

- The Claim Form - complex
- Evidence Requirements
 - Identity
 - Capital
 - Unearned / Earned Income
 - Household Members
- Requests for further information – over 1 month 39% of customers had to be contacted for more information
- Award Letters
- Changes in Circumstances

Capital

- Current capital limit is £16,000 – Working Age & Pensioner scheme
- Capital under £6,000 is disregarded (£10,000 for pensioners)
- Capital over £6,000 - assumed income of £1.00 for every £250
- Currently less than 100 working age customers have capital above £6,000
- Evidence requirements



Disregarded Incomes

In the current scheme certain incomes are disregarded such as:-

- Disability Living Allowance
- Personal Independence Payments
- Child Benefit
- Child Maintenance
- Armed Forces Independence Payment
- War Disablement Payments
- Housing Element of Universal Credit



Earned Income

- Calculated on gross earnings minus:-
 - Tax
 - National Insurance and
 - 50% of Occupational Pension
- An Earnings Disregard is applied (work incentive)

➤ Single claimant	£10.00
➤ Couple	£15.00
➤ Lone parent	£30.00
➤ In receipt of Carer Premium	£25.00
➤ In receipt of Disability Premium/Severe Disability Premium	£25.00
- **Means Test - Net income is compared to the living allowance – 20% of the excess figure is used to reduce the maximum weekly entitlement**

Non Dependants Deductions

- Variable non dependant deductions are taken from the maximum weekly LCTS based on age, income type:-

Aged 18 or over and in remunerative work (with or without UC):

- Gross income £447.40 and above £12.20
- Gross income £360.10 to £447.39 £10.20
- Gross income £207.70 to £360.09 £8.10
- Gross income less than £207.70 £4.00

- Where non-dependant receives Income Support, Income Based Jobseekers Allowance, Income Related Employment and Support Allowance, Pension Credit, universal credit (and they do not have any earnings included in their award) or where the non-dependant is aged under 18 £0.00
- All others aged 18 or over £4.00



Minimum Payment

- No minimum payment of Council Tax Support
 - 53 customers currently receive 50p or less a year
 - 54 customers receive between 50p - £1.00
- An award could be as little as 10p
- Minimum payment rules have an impact on evidence requirements / resources to maintain the ongoing claim

Backdating Claims

- Claims for working age customers can be backdated up to **6 months**
- Customers must show continuous **good cause** for delay in claiming
- Other discounts, e.g. single person discount, can be backdated further
- 152 claims analysed over a period of a month showed 5 customers requested backdated awards but none were able to show continuous good cause
- Backdating rules have an impact on:-
 - evidence requirements
 - ability to pay / collection rate



Council Tax Bands

- Council Tax Bands range from A – H
- No restriction is applied - the scheme allows all customers on a low income to apply for Council Tax Support
- 89 Council Tax Support customers live in bands E – G
- There are no Council Tax Support customers living in a band H property



Developing Ideas

- Current Scheme
 - No change
 - Change Working Age minimum contribution
 - Change contribution and some technical elements
- Banded Scheme
 - Based on Income ranges / Household composition – details to follow
- To research other alternatives – details to follow
- To share learning from our partners

Any Questions?



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