



# **Council Tax Support Scheme**

## **Vulnerability Statement**

May 2014

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## **1. Introduction**

With effect from 1 April 2013 Exeter City Council established a local Council Tax Support scheme replacing the national Council Tax Benefit statutory scheme for working age people (S.I 2006/215). The new scheme has adopted the core elements of the previous Council Tax Benefit statutory scheme, which was a proven and robust system of support that gave financial support to the most vulnerable.

The Government has been clear that in developing a local Council Tax Support scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners the Government has not prescribed other groups that local councils should support. Exeter City Council has tailored the scheme to take account of the legislation that protects vulnerable people.

## **2. Purpose of the vulnerability statement**

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

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

## **3. Accessibility of the Council Tax Support Scheme**

In order to ensure that all customers have equal access to Council Tax Support, Exeter City Council is committed to ensuring that information is available through different communication channels and in a range of formats designed to engage all vulnerable and hard to reach customers within our community.

In doing this, we will ensure that:

- We aim to make all information about our Council Tax Support scheme available in alternative formats and languages.
- Claim forms for Council Tax Support will be available on line or by visiting our offices.
- Customers can contact us by telephone or email, or have face-to-face contact at our offices or by requesting a visit to their home.

- Additional information about our Council Tax Support scheme will be available on our website and will be publicised in additional media.
- We will work closely with community and voluntary groups and other agencies who support our customers to ensure they can access the Council Tax Support they are entitled to.

#### **4. Statutory framework and other considerations**

In developing this policy Exeter City Council has taken account of the following legislation:

- Local Government Finance Act 1992 (as amended) (protection for low income pensioners)
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) (protection for low income pensioners)
- Equality Act 2010 (public sector equality duty)
- Child Poverty Act 2010 (duty to mitigate the effects of child poverty)
- Housing Act 1996 (duty to prevent homelessness)

It also takes account of:

- Work incentive principles set out in the Welfare Reform Act 2012
- Armed Forces Covenant 2011
- Department for Communities and Local Government (DCLG), Localising Support for Council Tax, Vulnerable people – key local authority duties. February 2014

#### **5. Local Government Finance Act 1992 & The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 – State Pension Credit Age Applicants**

##### **5.1 Definition**

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 prescribes the classes of pensioners entitled to a reduction under the statutory scheme.

##### **5.2 Eligibility under The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012**

- Applicants in receipt of guaranteed pension credit or who have income below their applicable amount will receive full council tax support subject to relevant non-dependent deductions (Class A)
- Those applicants who have income in excess of their applicable amount will have 20% of the excess income deducted from their

maximum support and will also be subject to relevant non-dependent deductions (Class B).

- Someone who has attained the qualifying age for state pension credit and has at least one second adult living with them will qualify for Alternative Maximum Council Tax Reduction (Second Adult Rebate). A second adult is someone who is not the applicant's partner and not someone who pays rent on a commercial basis. Typically a second adult is an adult friend or relative who is on a low wage and/or other welfare benefits (Class C).
- Council Tax Support for state pension credit age applicants and Second Adult Rebate cannot be paid together; it will be the highest entitlement that will determine which support is paid.

## **6. Equality Act 2010 (Protected characteristics including applicants defined as Chronically Sick and Disabled)**

### **6.1 Definition**

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

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

The relevant protected characteristics, as defined by the equality duty, are:

- Age (including children and young people);
- Disability;
- Gender reassignment;
- Pregnancy and maternity;
- Race;
- Religion or belief;
- Sex;
- Sexual orientation.

Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)

In developing the Council Tax Support scheme and this statement, Exeter City Council has undertaken an Equality Impact Assessment (EIA) and given due regard to its findings to ensure it does not lead to unlawful discrimination.

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

- Chronically Sick and Disabled Persons Act 1970
- Disabled Persons (Services, Consultation and Representation) Act 1986
- Disability Discrimination Act 1995
- Equality Act 2010

## **6.2 How this statement addresses the issues of disability**

Exeter City Council's Council Tax Support Scheme maintains the key elements of the previous Council Tax Benefit statutory scheme, and as such provides protection in the overall calculation of support for disabled customers and family members.

Our Council Tax Support Scheme continues to disregard income received specifically relating to disability in the financial assessment as defined in the previous Council Tax Benefit statutory scheme. This means that all income received from defined disability income will not be included. The affect of this is that these customers retain more of their income before their Council Tax Support is reduced.

In addition to this, the calculation of support also includes all of the premiums which existed under the previous Council Tax Benefit statutory scheme:

- Disability Premium – awarded when a customer or their partner (if any) is disabled and receive either a qualifying disability benefit or meet defined disability criteria
- Enhanced Disability Premium – awarded where either the customer or their partner or a dependent child is in receipt of a qualifying disability benefit or component.
- Severe Disability Premium – awarded when both customer or their partner (if any) are both severely disabled and receive either a qualifying disability benefit or meet defined disability criteria
- Work related activity component – where this component is awarded to a customer or their partner's Employment and Support Allowance
- Support component – where this component is awarded to the customer or their partner's Employment and Support Allowance
- Disabled Child Premium – awarded for all children in the household who receive a qualifying disability benefit.

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

## **7. Child Poverty Act 2010**

### **7.1 Definition**

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

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

In partnership, Devon County Council and all the district councils, including Exeter City Council, have signed up to the Devon Strategic Partnership's Child Poverty Strategy. In developing the Council Tax Support scheme and this statement Exeter City Council has taken into account the Local Child Poverty Needs Assessment and the Child Poverty Strategy.

Furthermore, Exeter City Council has taken account of the Government's National Strategy for tackling child poverty: *Tackling the causes of disadvantage and transforming families' lives published in April 2011.* (<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/CM%208061>). The Council Tax Support scheme therefore supports the key measures within this strategy to strengthen families, encourage responsibility, promote work and guarantee fairness and provide support to the most vulnerable.

### **7.2 How this statement addresses the issue of child poverty**

Exeter City Council's Council Tax Support Scheme maintains the key elements of the previous Council Tax Benefit statutory scheme, and as such provides protection in the overall calculation of support for families.

These allow for the following incomes to be disregarded in the financial assessment of Council Tax Support:

- All Child Benefit
- All Child Maintenance
- All other income payable to children
- Up to £175.00 per week for one child and £300.00 per week for two or more children towards childcare payments, for working families under defined criteria.

When assessing a claim for Council Tax Support a family's income will be compared to their applicable amount (living allowances). The applicable amount contains the following elements:

- Child personal allowance – an allowance for each dependant child in the applicant's household

- Family Premium – where there is at least one child in the household
- Disabled Child Premium – where a child is in receipt of any component of Disability Living Allowance or Personal Independence Payments or is registered blind or is treated as blind.
- Enhanced Disability Premium – where a child is in receipt of the highest rate of the care component of Disability Living Allowance or the Enhanced Daily Living Component of Personal Independence Payments.

### **Child care disregards**

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

A weekly childcare disregard is applied under the following criteria:

Where a customer is a lone parent and works 16 or more hours each week

Where a couple both work 16 hours or more each week

Where one partner works 16 or more hours each week and the other partner is incapacitated, a hospital in-patient or is in prison.

## **8. Housing Act 1996 & Homelessness Act 2002**

### **8.1 Definition**

Under the Housing Act 1996 Exeter City Council has a duty to help homeless people defined as priority need and to prevent homelessness within vulnerable groups. Where people apply to Exeter City Council for assistance we will give careful consideration to the circumstances that have led to homelessness and make our decisions on accommodation provision accordingly. Under the Homelessness Act 2002 Exeter City Council has a duty to prevent homelessness and provide a homelessness advice service, further information on this can be found in Exeter's Homelessness Strategy 2008 & Homelessness Strategy Action Plan Update 2011 at <http://www.exeter.gov.uk/index.aspx?articleid=10040&detailid=3641>

### **8.2 How this statement addresses the issues within the Housing & Homelessness Acts**

- Exeter City Council will ensure that any applicant who is supported under our Homelessness Strategy will also be supported to apply for Council Tax Support once they have secured accommodation
- Exeter City Council will ensure that any applicant at risk of homelessness will be assisted to apply for Council Tax Support where an appropriate liability to pay Council Tax exists. Measures will also be taken to ensure that the correct Council Tax Support has been awarded to minimise any Council Tax arrears that could contribute to financial vulnerability and homelessness.



## **9. Armed Forces Covenant 2011**

### **9.1 Definition**

In 2011 the Government launched the tri-service armed services covenant.

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

The aims of the Armed Forces Community Covenant is designed to:

- encourage local communities to support the Armed Forces community in their areas
- nurture public understanding and awareness amongst the public of issues affecting the Armed Forces community
- recognise and remember the sacrifices faced by the Armed Forces community
- encourage activities which help to integrate the Armed Forces community into local life
- to encourage the Armed Forces community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement

Exeter City Council has signed up to the Armed Forces Covenant and has considered this obligation within the Council Tax Support scheme.

### **9.2 How this statement meets the Armed Forces Covenant**

- Exeter City Council will continue to disregard War Disablement Pension and War Widows Pension payments from the calculation of Council Tax Support under the provision of s.139 of the Social Security Administration Act 1992 as applied locally under the previous Council Tax Benefit statutory scheme.
- A higher earnings disregard (£20.00 per week) for an applicant or their partner who is an Armed Forces reservist

## **10. Work incentive**

### **10.1 Definition**

As part of the Council Tax Support scheme Exeter City Council supports incentives for applicants to return to work and gives support to those already working to increase the hours they work, wherever possible.

The Council Tax Support scheme reflects the following principles:

- People should get more overall income in work than out of work.

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

## **10.2 How this statement provides work incentives**

Exeter City Council supports applicants back into work & to reach financial independence. The Council Tax Support scheme achieves this by supporting both customers in receipt of benefits or on a low income.

Support is reduced based upon a 20% withdrawal rate. This means that where a customer's income exceeds their applicable amount a deduction of 20p for every £1 will be made from Council Tax Support.

- When calculating weekly earned income a net figure is used, this is gross earnings less all Income Tax, National Insurance contributions (not voluntary contributions) and half of any pension contribution. In addition one of the following disregards is applied:
  - £5.00 of weekly earnings for single customers
  - £10.00 of weekly earnings for couples
  - £20.00 of weekly earnings for people who are disabled or long term sick, carers or part-time fire fighters, auxiliary coast guards, part-time life boat workers and members of the Territorial Army and other reserve forces
  - £25.00 of weekly earnings for lone parents
- Where the applicant or their partner is able to undertake work on or above a defined number of hours then an additional earnings disregard is applied;
- A childcare costs disregard of up to £175.00 for one child or up to £300.00 for two or more children is given where the applicant or their partner is working and meet specified criteria, please see childcare disregards above at 7.2.
- An additional four week extended payment of support is awarded when the customer moves into work and meets specified conditions. The extended payment gives support at the pre work entitlement to allow for the additional costs incurred when starting work.

## **11 Council Tax Support Exceptional Hardship Fund**

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

Exeter City Council's Exceptional Hardship Fund Policy ensures that those who are most vulnerable and in greatest financial hardship can access additional financial assistance from the Exceptional Hardship Fund.