

Citizens Advice Response:

Proposed Changes to Council Tax Reduction Scheme

Question 3 Do you have any other comments about the proposed changes to Council Tax Reduction Scheme in the Cotswold District Area.

1. Child maintenance

We support the removal of the Child Maintenance from the calculation of Council Tax Reduction (CTR) for the following reasons:

- It is disregarded by central government for all means tested benefits including Universal Credit
- Using the figures presented to Cabinet on 17 Nov 2016 where the decision was taken to include Child Maintenance, 183 households would be £519 a year worse off.
- Child Poverty Action Group (CPAG) has advised us that under the Child Poverty Act 2010, local authorities have prime responsibility for mitigating child poverty, the current CTR scheme including child maintenance as income, we feel, acts contrary to this responsibility.
- CPAG advised us the use of the following legal challenges could be mounted in respect of the inclusion of child maintenance as income:-
 - (i) indirect discrimination as women most likely to be affected
 - (ii) direct discrimination against those in receipt of legacy benefits compared to those in receipt of UC. It seems that you could have a household on the same benefits income but one gets it through UC and one through legacy benefits; the former will not have child maintenance taken into account for CTR purposes but the latter will despite their overall financial situation (and therefore financial need, the relief of which is the statutory purpose of CTR) being the same
 - (iii) a failure to comply with s147 Equality Act public sector equality duty, particularly if there has been no Equality Impact Assessment (the most usual way of showing s147 has been complied with)
 - (iv) potentially an irrationality argument if child maintenance is not taken into account for council tax assessment but is for CTR.
- CPAG also advised not all unequal treatment amounts to unlawful discrimination if the difference in treatment can be justified. In the field of welfare benefits the government/local authorities have quite a lot of leeway on justification but one particular issue of relevance here is that child maintenance is obviously meant to benefit the child and so arguments over the duty to give primary consideration to the best interests of the child potentially feature.
- We are aware that the national Citizens Advice team have an interest in this consultation as there may be implications for other local authorities.

2. Income Banding

We do agree that banding is a sensible way to deal with the weekly fluctuations of Universal Credit.

The proposal to provide 100% CTS for those in receipt of net income of less than £125.99, seems reasonable.

We are concerned that the proposed band widths (on page 1 of CTRS Consultation document) seem to be uneven; a £62 band at 75% support, £103 band at 50% support, £93 band at the 25% support.

We would suggest £188 (bottom of 50% CTS band) for a household of 2 adults (one would already be getting 25% single person discount) is still very low income and would suggest increasing the £62 band to a £100 band for 75% support and adjust the upper two bands accordingly to leave the top band of £385+ with 0% CTS.

3. Protected Groups

We have found no evidence of discussions nor consultation on the change to exclude some residents from protected status.

CDC website on Council Tax Reduction states:

Changes proposed will have no impact for those in vulnerable groups or those in receipt of a state pension.

The previous Council tax benefit where people on benefits had some or all of their Council tax paid was stopped by the Government in April 2013. It was replaced with the Council Tax reduction scheme that was mainly funded by a Government grant.

A new Council tax support scheme started on 1 April 2017. Pensioners and people receiving the following benefits will be a 'protected group' when we're calculating Council tax claims:

- Disability premium
- Enhanced disability premium
- Severe disability premium
- Disability premium for dependants
- Enhanced disability premium for dependants
- Disability earnings disregard
- Council Tax disability band reduction
- Employment support allowance (any rate)
- War disablement pension
- War widows pension
- **Personal Independent Payment (PIP)**

There is a box on this consultation survey defining Vulnerable Groups listing all the above categories with the exception of Personal Independent Payment (PIP). We were not aware this benefit was being dropped from the vulnerable group and are not aware of any consultation on this.

We have become aware that residents who would have been claiming Employment Support Allowance at any rate and had been protected, but now when they have to make a claim under Universal Credit have lost their protected status.

We do not believe it is correct that these clients should lose their protected status.

- Using the government's own benefit calculators and Citizen's advice benefits calculator, people claiming Universal Credit with limited capability for work (UC LCW) are a protected group.
- Shelter and The Chartered Institute of Housing, Guide to Universal Credit & Council Tax Rebates, Vol 1 2018-2019 states paragraph 1.11 a states 'you get maximum CTR if you are on a passport benefit (JSA(IB), ESA(IR), IS or guarantee credit of SPC) and also if your only income is from UC.'

We would ask you to look again at the treatment of claimants previously eligible for ESA Support but on a change of circumstances (such as moving house) had to apply for UC with LCW. The loss of their protected group status has in one case meant a client who had previously been paying £65 CT a year losing all her CTR and having to find £693 extra for council Tax a year.

(END)