

Appendix 1 - Schedule of Proposals for Changes to the LCTS Scheme

Proposal	Change to the Existing Scheme	Revision to existing wording of the scheme	Number of Households Affected	Impact of Changes
1.	To introduce a minimum payment of 10% of the Council Tax Liability	To amend the scheme for claims of working age to reduce the maximum support which can be provided under the scheme from 100% to 90%	c3,500	<ul style="list-style-type: none"> Savings to the scheme of £400k
2.	To revise the scheme to limit the circumstances when a change in household circumstances will cause the level of the LCTS scheme to be changed. Specifically limiting changes to households in receipt of Universal Credit where the amount changes by £60 or less per month LCTS is not altered	<p>To introduce wording into the scheme to define a relevant change of circumstances for Universal Credit claims which will limit the circumstance when a new assessment of LCTS will be revised to the following circumstances;</p> <ul style="list-style-type: none"> There is a change in the UC award of more than £60 or; There is a move in or out of employment or; There is a change to the household membership or; There is a change to the council tax liability 	All LCTS working age households by the end of full UC roll-out	<ul style="list-style-type: none"> 30 – 50% reduction in the average number of change in circumstances for people in receipt of UC Limit the number of council tax bills produced annually Allow recovery action to follow existing automated process in most circumstances
3.	To allow new awards of LCTS to be made using information provided to the council by the Department for Work and Pensions without the need to complete a further form where no additional information is required	To add clarification that electronic information received from the DWP in relation to an award of Universal Credit may be treated as new claim for the purposes of determining an award for LCTS	All LCTS working age households by the end of full UC roll-out	<ul style="list-style-type: none"> All households who indicate that they wish to apply for LCTS when they claim UC and have information passed to the authority will become eligible for an assessment of entitlement to be made increasing take-up of the scheme

4.	To set the start date of any LCTS award in line with the award date of Universal Credit	To provide clarification under the commencement of the award section to confirm that following a new claim for LCTS the start of the award of LCTS will be the same as the start date of the award of UC or the date liability commenced, whichever is the latter	All LCTS working age households by the end of full UC roll-out	<ul style="list-style-type: none"> • This will negate the requirement for backdating decisions, reduce administration and ensure awards are granted to households whose financial circumstances identify help is required
5.	To treat anyone with a UC assessment under UC rules for calculating any entitlement to LCTS and not move households between different elements of the working age scheme	To change the wording which defines the calculation of the applicable amount and calculation of income and capital for someone who has an “award of Universal Credit” to read “a current assessment of Universal Credit” which removes the conditionality for UC to be in payment to allowing the authority to use DWP verified information	All LCTS working age households by the end of full UC roll-out	<ul style="list-style-type: none"> • Will treat everyone who has claimed UC under the same rules for calculating entitlement • Will remove circumstances where people move between different elements of the scheme and are required to provide multiple forms of evidence when UC is not awarded
6.	To allow the council to substitute its own information for DWP assessed income and capital where it has evidence the wrong information has been used where doing so would prevent a higher level of LCTS to be awarded than would otherwise be the case	To add conditionality within the section on calculation income and capital for people with an assessment of UC that the council may substitute its own figures where there is information and evidence which shows the figures determined by the DWP are incorrect and would lead to a higher award of LCTS than they would otherwise be entitled to.	All LCTS working age households by the end of full UC roll-out	<ul style="list-style-type: none"> • Prevention of fraud and error

7.	To change the definition of a non-dependant person to include all adults in the property, for households who are claiming LCTS with an assessment of Universal Credit	<p>To remove the condition of a person residing in the property on a commercial basis i.e. as a boarder or lodger for the purposes of identifying a non-dependant, where the household's claim for LCTS is based on them having an assessment of UC</p> <p>This will have the effect of making any adult living in the property who is not liable to pay council tax in their own right part of the LCTS calculation and subject to a contribution to the household liability to pay for local services</p>	Currently fewer than 10 claims	<ul style="list-style-type: none"> • This will negate the impact of poor quality data share from the DWP and the exclusion of boarder income in the assessment of UC • Supporting the principle that all resident adults with a relevant source of income should contribute
8.	To remove the 16 hour condition before a non-dependant change becomes applicable	Exclude the definition of remunerative work for non-dependants within the working age scheme	Less than 50 claims identified	<ul style="list-style-type: none"> • Ensure that deductions are based on affordability • Negate poor quality data share from the DWP which leads to additional customer contact and processing delays
9.	To apply a revised set of non-dependant changes where the non-dependant is working	<p>To replace the existing non-dependant deduction table with a revised schedule for working age claimants reducing the current number of bands from four to two</p> <p>£6 where weekly income is any amount below £360.10 per week</p> <p>£12.20 if income is £360.10 per week or more</p>	Approximately 250 households identified	<ul style="list-style-type: none"> • Reduction in instances where non-dep deductions fluctuate and create a new bill to be calculated • Mixture of households being better / worse off by a maximum of £2.10 per week • Estimated saving from the scheme of c£35k

		<p>These banding figures for income levels and level of deduction are subject to revision when prescribed requirements are provided by the government</p> <p>Insertion of conditionality that the figures will be revised each year in accordance with methodology used by the DWP to change non-dependant deductions used in the Housing Benefit Scheme</p>		
10.	To remove Second Adult Rebate from the Working Age Scheme	To add an exclusion to the eligibility criteria for the Second Adult Rebate scheme where the tax payers are of working age	Approximately 80 claims currently	<ul style="list-style-type: none"> • Reduction in administration costs • Saving to the scheme of c£25k