

MID SUSSEX DISTRICT COUNCIL  
COUNCIL TAX SUPPORT SCHEME

## **Background.**

1. The Government's Resource Review abolished Council Tax Benefit with effect from 01/04/13 and required local authorities to either develop their own Council Tax Support Scheme or adopt a national Default Scheme. In doing so, the Government reduced funding available to local authorities by between 10 – 14%.
2. Mid Sussex District Council has developed it's own Council Tax Support Scheme, the details of which are contained in the remainder of this document.

## **Policy**

3. The scheme has 3 overarching principles:
  - Protect pensioners (a legal requirement)
  - Protect those who are unable to or not expected to work
  - Support and incentivise work or return to work.
4. The support provided under the Mid Sussex District Council Tax support scheme will be at no cost to the local tax payer, the cost of support being met by government funding
- 5 The Mid Sussex District Council Council Tax Support Scheme reduces the financial support available to those who are able to and/or are actively seeking work. There are in-built incentives to help support people once they are in work, ensuring that they are better off in work than receiving benefit.
6. Separately to the Council Tax Support Scheme, Mid Sussex District Council (with financial support from West Sussex County Council) commissions additional support for those who are looking for work.

## **The Council Tax Support Scheme**

7. The Mid Sussex District Council's Council Tax Support Scheme is based on the "Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (and all subsequent amendments). Unless otherwise stated, these regulations will be applied to all claims to a reduction under the Mid Sussex Council Tax Support scheme with effect from 01/04/13.
8. The regulations (and any subsequent amendments) will apply to groups protected from a reduction in Council Tax support. These Protected groups are:
  - Pensioners (as defined in Part 2(3) of 'default scheme' regulations)
  - Those unable (or not expected) to work, including lone parents with children under age 5 (see Appendix 1)
  - War Widows (in respect of whom the authority will continue to exercise the right that existed under the previous Council Tax Benefits Scheme to protect from any reduction in support).

## **Exceptions to the Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012.**

### Reduction in Support for Non-protected Council Tax Payers.

9. The cost of support provided under the Council Tax support Scheme should not exceed funding received from central government.
10. Unless a member of a protected group (see 8 above), entitlement to and consequent amount of support to be provided under the Council Tax Support Scheme will be assessed as detailed in the above regulations, with the addition of a percentage reduction in the amount of support provided.
11. This percentage reduction in support to persons not protected from such a reduction will be calculated by the authority on an annual basis. The calculation of the percentage reduction to be applied is based on an assessment of the total amount of support that will be granted in the forthcoming year compared to the funding for the Council Tax Support Scheme to be provided by central government.  
Note: this is currently 39%, any change to this figure will be preceded by a public consultation

### Additional Disregards

12. Compensation received by an applicant paid through any UK Armed Forces Compensation Scheme will be wholly disregarded in calculating an applicant's eligibility for support. The £10 disregard will be extended to a complete disregard of sums that fall under Schedule 6 paras 1(b)(c) and (d) and para 6 of the 'Default Scheme)

### Extended Reductions

13. Extended reduction conditionality and entitlement for persons who are not pensioners is detailed in Part 12, Chapter 2 of the Default regulations. The exception in entitlement under the Council Tax Support Scheme is that the period set out in Para 96(3)(a) will be 12 weeks rather than 4 weeks.

### Earnings Taper

14. Part 4 Section 17(f) of the default regulations equates to a taper of 20 pence in the pounds..
15. Under the Mid Sussex Council Tax support Scheme, a more generous taper of 15p in the £ will be applied

## **Protected Groups**

### **A. Protected Groups under the Local Government and Finance Act 2012**

#### **Pensioners**

A Pensioner household is one consisting of –

- A single person who has reached state pension credit age
- A couple where BOTH have reached state pension credit age
- A couple where one person has reached state pension age and the other is of working age and not in receipt of Income Support, JSA or ESA.

### **B. Protected Groups under the Local Council Tax Support Scheme**

#### **Those unable to work (Working Age)**

It is proposed that entitlement to protection is, as a general rule, based on entitlement to specific national benefits or tax credit awarded by the DWP and/or HMRC to support those unable to work. These are as follows:

- 1. Lone parents with children under the age of 5**
- 2. Those in receipt of:**
  - (a) Disability Living Allowance and Attendance Allowance**
  - (b) Employment Support Allowance with a Support Component**
  - (c) Disability element or Severe Disability element of Working Tax Credit**
  - (d) Those in receipt of a War Widows Pension**
  - (e) Any Disability Premium.**