

## **Changes to the Local Council Tax Reduction scheme from 1 April 2018**

East Cambridgeshire District Council is proposing to introduce minor changes to the local scheme for how council tax discounts are calculated for working age customers. Discounts are currently given to those who find it hard to pay their council tax, for a variety of reasons. The current scheme has not been changed since it was first introduced in April 2013, but now needs some minor changes in order to update it and bring it into line with other benefits.

### **What are the changes?**

Our proposal is to update, modernise and streamline our council tax reduction scheme while keeping the same principles as our original 2013/14 scheme.

From 1 April 2018 we propose to:

1. Update the “applicable amounts” to 2015 prices as they have not been updated since 2013. The 2015 rates will apply until 2020 as they have been ‘frozen’ by the Government. Applicable amounts are the fixed amounts of money which you are considered to need to live on, and which are used when benefits are being calculated.
2. Incorporate changes that have occurred as a result of the Government’s welfare reforms. This will mean that the way we calculate council tax reductions will take into account the changes to: family premiums; dependence allowances where there are two or more children; and eligibility of foreign nationals.
3. Modernise the scheme so that claimants in receipt of Universal Credit don’t need to make a separate application to qualify for Council Tax Discount.

### **What isn’t changing?**

We are not proposing to change the contribution levels that were established in 2013, or to change the arrangements for pensioners who are exempt. Instead, the Council is proposing to introduce a package of minor technical changes to ensure the scheme continues on the same principles, but is modernised, streamlined and reduces the administration costs for the council and claimants.

### **Who will the changes affect and when?**

Everyone who receives council tax support will benefit from the increase in applicable amounts.

Changes 2 and 3 above will affect people needing to make a new claim either through change in circumstances or making a claim for the first time. We expect the number of people to be effected by these changes to be proportionately small.

## **What will the changes mean for claimants?**

The changes to applicable amounts will mean an increase in the amount of discounts new claimants receive, to take account of inflation since 2013.

The changes to align council tax discounts with welfare reform changes may result in some claimants paying slightly more council tax compared to those who began claiming before 1 April 2018.

The changes associated with the introduction of Universal Credit will simplify the process for claimants of council tax discounts. Depending on the amount of hours a person works, their Universal Credit payment will increase or decrease. This fluctuation means that the amount council tax is reduced by can change each month. In order to keep this as simple as possible East Cambridgeshire District Council wants to make the award of council tax reduction conditional upon Universal Credit. This means that any new claimants will only need to make one application and we can make sure the correct entitlement to a council tax reduction is received.

## **Tell us your views**

We believe that these few changes will update and simplify the Local Council Tax Reduction Scheme and allow us to keep our reduction rates intact. But what do you think? Let us know your views on our proposed changes and any particular impacts they may have. You can let us know by filling out our response form online at <http://www.smartsurvey.co.uk/s/3BU4G/> by 19<sup>th</sup> November 2017.