

## Appendix B – Scheme Options Considered

Option	Reasons for rejection
Exclude the need for a minimum contribution (“Principle 1”) element	Will not achieve the level of financial savings as previously outlined
Capping entitlement at Council Tax liability level	Would impact on large households, and disproportionately on BME groups; and on those claimants potentially already impacted by Housing Benefit caps from 2011/12 and the overall income cap to be introduced from April 2013
Stopping or restricting backdating of claims (currently paid where there is a good reasons for a claimant making a late claim)	Achieves very small savings, and also impacts upon some of the most vulnerable – those least able to handle their own affairs; understand the Benefit system; or otherwise disadvantaged
Limited period awards (e.g. only pay CTS for six months)	Likely to result in a very low Council Tax collection rate for the period after benefit ends, and administratively complex with the potential for claimants to receive multiple Council Tax bills in close succession particularly where CTS ends and before the claimant reapplies or receives continued support
De minimus rule	To produce reasonable levels of savings, a de minimus of at least £7.50pw would be required (32% of a Band C charge); too crude a mechanism and likely to impact on claimants where other restrictions (e.g. higher taper or non-dependant charges) have already applied
Discretionary scheme element to cover cases of extreme hardship	Would have to be funded by harsher application of the CTS rules elsewhere; also more administratively complex and more likely to lead to inconsistent decisions. There is in any event a wider discretion under Section 13A Local Government Finance Act 1992 that may permit decisions to be taken concerning individual circumstances.

Uprate applicable amounts and personal allowances by rate of inflation (CPI) from 2013 onwards	Introduces an inflationary element into scheme design which would need to be funded by harsher application of the scheme elsewhere. As the Council has an obligation to review its scheme on an annual basis, this feature could be revised at that stage subject to consultation arrangements
Simplify the system of non-dependant charges by having one charge for working non-dependants and one for non-working	The weight of the increased charges falls more on lower income non-dependants than on higher ones – relative to application of the preferred scheme mechanism (doubling existing charges) - and therefore contrary to scheme principles
Protect families with children from the effects of the minimum 20% Council Tax contribution	The protection will not achieve the financial savings required and it is not currently feasible to protect families with children of specified ages.
Protect single parents from the effects of the minimum 20% Council Tax contribution (working and non working options submitted)	The extension of the protection to single parents in work would require savings of £0.73M to be found elsewhere within the scheme and to protect those not working would require £1.5M savings be found elsewhere. Protecting single parents with children of specified ages is not currently feasible.
Protect Young Adults	No definition of what constitutes a young adult has been provided and this would need to be determined. Some young adults may either already possess or have an ability to obtain more capital or income than others. The administrative complexity involved in determining protection for this group would currently be difficult without the existence of a specific income type or premium being applied to their CTS calculation. The provision to elect to pay by 12 monthly instalments for Council Tax next year instead of the current 10 may assist with the financial payments required and payment arrangements may be possible in

	specified circumstances.
Protect persons attending courses for education to improve employment prospects	Persons attending full time courses of further and higher education that are liable to pay Council Tax may be exempt from Council Tax liability under the Class M and N Council Tax exemptions. Students will only be eligible to apply for Council Tax Support where they are for example single parents or couples where they are both students with responsibility for a child or young person and students on passported benefits. Additionally, where students qualify for a disability premium, they will be protected from the requirement to contribute a minimum 20% Council Tax contribution. It would be administratively difficult to link attendance on a course of education with an intention to improve employment prospects as this could potentially apply to all courses undertaken.
Protect young adults aged 16 to 30 in full time education or learning and living with parents	Young adults aged under 18 are exempt from Council Tax liability. If they are aged 18 to 30 and living with their parents, it is likely in many cases that their parents will be the Council Tax Payers for the home. Where the liable person for Council Tax is a student and they live on their own, they will normally be exempt under Class M or N of the Council Tax exemptions. Students will be eligible to apply for Council Tax Support where they are for example single parents or couples where they are both students with responsibility for a child or young person and students on passported benefits. Additionally, where students qualify for a disability premium, they will be protected from the requirement to contribute a minimum 20% Council Tax contribution.
Protect persons with no savings	The recommended scheme does not provide protection for persons with no savings although there is a

	cut-off limit of £6,000 above which persons will not be entitled to Council Tax Support. Protection for claimants with no savings is anticipated to be prohibitively expensive due to the volumes of claimants with no savings, would be difficult to administer and could have an adverse policy effect.
Protect people looking for work	This option would be administratively difficult to administer as the definition of "looking for work" and the application of this would be difficult to determine and evaluate compliance.
Protect people in receipt of Benefits	Without a precise definition of what specific Benefits should be considered for a claimant to be eligible for protection, such a definition would be administratively difficult to operate. The recommended scheme provides that certain Benefits received and to be used in the calculations for assessing entitlement will be disregarded in full including for example Income Support and Employment Support Allowance (Income Related) thus ensuring greater entitlement to Support in such cases.
Protect Joint Tenants (where the other tenant does not contribute)	<p>The recommended scheme does not provide protection for joint tenants where the other tenant does not contribute. Existing Council Tax statutory provisions address liability requirements and this matter is considered to be a matter for the respective tenants to resolve between them.</p> <p>Council Tax statute provides that joint tenants are generally jointly and severally liable to pay Council Tax and the fact that one of the tenants does not pay, does not prevent the Council from enforcing payment against either or both the tenants concerned.</p> <p>It is also worth noting that the</p>

	existence of this issue could arise irrespective of the presence of the Council Tax Support Scheme.
Protect persons recently unemployed	This option would be difficult to administer as potentially the reasons for unemployment and the duration of "recent" would need to be determined to assist in the evaluation of entitlement. Additionally, it is understood that the software would be unable to support the provision of protection for persons within this group unless it included all persons in receipt of Job Seekers Allowance for example.
Protect people with severe learning disorders	The recommended scheme already provides protection for persons in receipt of Disability Living Allowance and Employment Support Allowance (Care Component). Additionally, existing Council Tax statute provides an exemption for a Council Tax Payer that meets the qualifying criteria for "severely mental impairment" where they are the sole adult resident. Additionally, such persons are not jointly and severally liable where they would normally be treated as having a joint liability with other residents. Accordingly, in such circumstances, they would not have any Council Tax liability and hence entitlement to CTS would not be applicable.
Protect people on medical grounds (including receipt of Employment Support Allowance Care Component)	The recommended scheme already provides protection for claimants where they are in receipt of Employment Support Allowance with the care component by virtue of their entitlement to a disability premium that is one of the protected groups. Additionally, where a claimant is long term sick, they are likely to qualify for a disability premium if they are incapable of work for 28 weeks and they are terminally ill and 52 weeks in any other case. In such circumstances, they would also be protected from

	<p>the requirement to pay the minimum 20% Council Tax contribution. Receipt of Employment Support Allowance (Income Related) is also disregarded as an income in assessing entitlement to CTS. Extending protection on medical grounds for reasons other than those already identified could be administratively difficult as the medical grounds would need to be defined and validated and there may be periods whereby two or more periods might need to be linked for example.</p>
<p>Protect persons on a low income (including on minimum wage)</p>	<p>The proposed Council Tax Support scheme already provides support to persons on a low income with those on the lowest incomes being entitled to the most support. Protection from the requirement to pay the minimum contribution of 20% is to be given for vulnerable persons including the disabled and war widows and widowers. Persons of pensionable age shall receive 100% Benefit entitlement where they are in receipt of pension credit guarantee credit. As income increases above basic living needs, the amount of entitlement to support shall be withdrawn at a rate of 30 pence in the pound thus preserving this characteristic. For those claimants who are working, (including those on a minimum wage) the proposed CTS scheme proposes a more generous allowance of the amount of weekly income that can be earned before means testing is applied compared to the current Council Tax Benefit scheme. Additionally, it is currently understood that the proposed CTS software would be unable to support the provision of protection for persons within this group unless a specific income type was to be specified and this would be administratively complex to achieve in view of the range of potential</p>

	types concerned.
Protect persons resettled from a hostel	<p>Protection for persons resettled from a hostel for a specific period has been considered. It is considered that the income / earnings of such persons should determine the level of support applicable through the effects of the means test performed and that such persons are more likely to have an ability to increase their weekly income than the other groups identified for protection in the proposed scheme.</p> <p>However, the Council proposes to extend the minimum number of monthly instalments for Council Tax Payers from 10 to 12 in line with proposed statute change and will work closely with Housing Associations, the Council's Housing Department and Brent Housing Partnership to ensure that an application for Council Tax Support is promptly submitted in such circumstances.</p>
Protect persons receiving Job Seekers Allowance and Universal Credit	<p>From October 2013, existing cases of Job Seekers Allowance (income Based) will be migrated on a phased basis to Universal Credit. Contributory based Job Seekers Allowance will however remain separate. Providing protection merely for contribution based job seekers allowance recipients will not be reasonable and appropriate if income based recipients of job seekers allowance do not receive protection also especially as the income and capital of such persons is generally likely to be less. As Universal Credit will be for "in" and "out of work" claimants, the distinction between the various claimant circumstances will not be administratively easy to identify.</p> <p>As Universal Credit will also include Income Support recipients, Employment and Support Allowance (Income Related) and Working Tax</p>

	<p>Credit, this would effectively mean that the existing “passport” caseload plus some existing “non-passported” cases could be eligible for protection under this proposal.</p> <p>Achievement of the savings needed to meet the Council’s funding deficit under this proposal would not be met as 60% of the existing caseload is passported. In view of the above, this option is not proposed to be progressed.</p>
Protect people not working	<p>This would be administratively difficult to enforce as the definition of “not working” would need to be evaluated and determined. The reasons for not working may also need to be determined and references to temporary and voluntary work may also need to be incorporated.</p> <p>The provision of protection for persons within this group could impact significantly on the financial savings that would otherwise be delivered by the proposed scheme.</p>
Protect vulnerable persons	<p>The Council set out its definition of persons proposed for protection in its draft scheme. Consideration to other potentially “vulnerable” groups has also been considered as part of the scheme design and as suggested by the Government in its Policy Statement of Intent and set out elsewhere within this report.</p>
Protect disabled	<p>The proposed scheme already provides protection for disabled persons.</p>
Protect persons of pensionable age	<p>The recommended scheme already provides protection for persons of pensionable age.</p>
Protect terminally ill	<p>The recommended scheme provides protection for terminally ill claimants in receipt of Disability Living Allowance / Personal Independence Payments. A person with a terminal illness will be fast</p>



	<p>tracked on to a guaranteed payment of the enhanced rate of the Daily Living component of Personal Independence Payment without having to satisfy the qualifying period or the prospective test. They will also be able to apply for the Mobility component and receive that immediately if they qualify. Consequently, protection will be applicable at an earlier stage in such cases.</p> <p>Additionally, entitlement to a disability premium and hence protection from payment of the minimum 20% contribution applies where a claimant is incapable of work and has been for 28 weeks if they are terminally ill. This route helps people to qualify for a disability premium where they are incapable of work but do not get incapacity benefit.</p>
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