

<p>Cabinet</p> <p>25 July 2018</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Zena Cooke, Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>Local Council Tax Reduction Scheme</p>	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources & the Voluntary Sector
Originating Officer(s)	Lee Fearon and Steve Hill – Benefits Services
Wards affected	All
Key Decision?	No
Community Plan Theme	A fair and prosperous community

Executive Summary

The Council needs to consider whether to make changes to its Local Council Tax Reduction Scheme for 2019/2020.

This report seeks the views from the Mayor in Cabinet to decide whether any proposed changes should be considered to the Council's existing Local Council Tax Reduction scheme and if so, to go out to public consultation on the proposed changes.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note and make representations on the proposed changes to the deductions applied in respect of disabled non dependants with a view to applying a maximum weekly deduction of £4 for disabled non dependants
2. Note and make representations on the proposal to retain the principle of applying the minimum income floor for self-employed residents together with an enhanced support package and the application of S13A discounts to avoid hardship
3. Note and make representations on the proposal to increase the current four week backdating provision to 52 weeks and remove the child allowance for families with more than two children (disregarding income that is not received within LCTRS), as outlined within the report
4. Note that officers will go out to public consultation on the proposed changes
5. Note that officers will bring a report, setting out feedback from the consultation, back to the October Cabinet prior to a formal decision being taken

1. REASONS FOR THE DECISIONS

1.1 Background

- 1.2 Each year the Council needs to consider whether to make changes to its local Council Tax Reduction scheme (LCTRS).
- 1.3 The national scheme, Council Tax Benefit, was abolished with effect from 1st April 2013. A national scheme for pensioners identical to Council Tax Benefit has remained in place since 2013 and Local Authorities assumed responsibility for the design and administration of a local replacement scheme for working age residents.
- 1.4 Under Council Tax Benefit all awards were fully funded by central Government via an annual subsidy grant predicated on the total amount of benefit awarded. However, subsidy for LCTRS awards has been frozen at the amount awarded for 2012/13 less 10% since April 2013, representing a national reduction of funding to Local Authorities of £500m.
- 1.5 The Council continued to operate a LCTRS for working age residents which was broadly based on Council Tax Benefit for April 2013 to March 2017. Although this protected residents, the reduction in Government Subsidy meant there was a cost to the Council estimated at between £2m and £4m per annum.
- 1.6 Due to increasing financial pressures and the need to respond to the introduction of Universal Credit, the Council decided to change its LCTRS with effect from 1st April 2017.
- 1.7 In changing the scheme in 2017, the Council ensured that residents on the lowest incomes continue to receive 100% rebate of their Council Tax liability. Tower Hamlets remains one of only a handful of London councils who have retained this provision within their LCTRS since April 2013 and in doing so the Council has and continues to offer one of the most generous schemes in London. Appendix 1 provides a table of London Boroughs' minimum percentage Council Tax payments after the application of LCTRS.

2. ALTERNATIVE OPTIONS

- 2.1 The Council can consider making any changes to its LCTRS annually. Changes cannot be made in year.
- 2.2 Changes can only be made to working age households as pensioners are protected. Any changes must be subject to a meaningful full public consultation as required by the Local Government Finance Act 1992 which stipulates that changes can only be enacted from the start of the subsequent financial year.
- 2.3 The council can decide not to make any changes to the current scheme.

3. DETAILS OF REPORT

3.1 Local Council Tax Reduction (LCTRS) in the poverty context

- 3.2 In recognition of the levels of poverty within the Borough and the detrimental affect of the national welfare reform programme on low income residents, the Council has essentially maintained an LCTRS broadly similar to the previous national Council Tax Benefit scheme from 2013. However, this has meant

that the cost of doing so (between £2m and £4m per annum) has had to be funded by the Council.

- 3.3 Therefore the ongoing challenge to the Council is to ensure the scheme is both cost effective and remains fair to both residents who rely on it and Council Tax payers.
- 3.4 To provide context as to the level of the challenge, the borough's latest poverty profile illustrates that according to HMRC's children in low income families local measure, around 18,875 children in Tower Hamlets were living below the national poverty line in 2015; this represents 31% of the children in the Borough, the highest rate in Great Britain. However, HMRC poverty rates take no account of the housing costs families pay, so understate poverty levels. Indeed 35,900 children in Tower Hamlets live in families that rely on Housing Benefit to pay their rent; this represents 58% of children, the highest rate in Great Britain (2016).
- 3.5 In view of this the Council has previously decided it would be unfair to follow the lead of many other Councils which have moved away from a scheme based on 100% Council Tax liability as this would mean that most households will have to make a minimum payment towards Council Tax regardless of their income and circumstances. Instead, Tower Hamlets LCTRS retains 100% provision, which means the lowest income households qualify for a full reduction under the scheme and do not have to pay any Council Tax.
- 3.6 Consequently 69% of households entitled to LCTRS receive a 100% reduction, equating to 19,030 households against a total LCTRS caseload of 27,697.

3.7 Our current Local Council Tax Reduction Scheme

- 3.8 The Council's current LCTRS has been operating since April 2017 and is based primarily on the assessment criteria used for Council Tax Benefit. Consequently:
- Maximum entitlement is based on 100% of Council Tax liability
 - Entitlement is based on the claimant's and partner's joint income and capital
 - Income is compared to set allowances identical to those used in the assessment of Housing Benefit
 - If total income is at or below the set allowances, maximum CTR is awarded less any non-dependant deductions
 - If total income is above the set allowances, 20% of the excess is subtracted from Council Tax liability and the remainder is awarded as CTR less any non-dependant deductions. Consequently the amount of Council Tax the resident is required to pay is the lower of either 20% of their income above the applicable allowances or the full Council Tax liability
 - Deductions from CTR are made in respect of non-dependants (adults other than the claimant and partner who live in the household)
- 3.9 However, the LCTRS differs from Council Tax benefit in respect of the following:

3.10 Non Dependant deductions

3.11 Unlike the former scheme the level of deduction applied under the current LCTRS is based on the non-dependants' total income which is inclusive of any benefits they get (which includes disability benefits). The deductions applied under the current scheme are set out below:

Non Dependants aged 18 and over - all income	Weekly deduction
- gross income: less than £195.00	4.00
- gross income: £195.00 to £281.99	8.00
- gross income: £282.00 to £370.49	12.00
- Income £370.50 per week and above	No CTR
- Lowest Deduction	4.00

3.12 If any individual non-dependant's total gross weekly income is £370.50 or above the applicant will not be entitled to CTR.

3.13 Capital

3.14 Under the current scheme the capital limit for working age applicants decreased from £16,000 to £6,000. If the claimant/partner has capital in excess of £6,000 they will not be entitled to CTR.

3.15 Self-employed Claimants

3.16 A minimum income floor (MIF) equivalent to 35 hours at National Living Wage is applied to claimants who have been self-employed for 12 months or more and have declared earnings below the MIF level. A benefit of using the MIF for self-employed people allows the Council to support and encourage residents to increase their earnings and reduce the risk of a significant loss of benefit when they migrate to Universal Credit.

3.17 The MIF was applied from 1 April 2017 for claimants who had completed 12 months self-employment at this date and from the date on which 12 months self-employment is completed for claimants who had worked less than 1 year at 1 April 2017

3.18 This mirrors the assessment criteria applied in Universal Credit (UC) which is currently being implemented in Tower Hamlets. Under UC the Council no longer has the information previously available through Housing Benefit to establish the claimant's financial circumstances.

3.19 Absence from home

3.20 Generally, the period during which a claimant can retain entitlement to CTR whilst absent from the UK reduced from 13 weeks to 4 weeks. This aligns the Council's LCTRS with the rules applied in respect of absences abroad in Housing Benefit.

3.21 Backdating

3.22 The period during which a claimant can retain entitlement to CTR whilst absent from the UK reduced from 13 weeks to 4 weeks. This aligns the council's LCTRS with the rules applied in respect of absences abroad in Housing Benefit.

3.23 Discretionary Provision

3.24 The current scheme references discretionary provision available under *Section 13A of The Local Government Finance Act 1992* to decrease Council Tax liability where there is evidence of hardship.

3.25 Since April 2017 the Council has used this discretion in respect of self-employed residents affected by the minimum income floor and families with disabled non dependants.

3.26 Support for self-employed residents affected by the minimum income floor (MIF)

3.27 The process adopted in respect of these residents is as follows:

3.28 When the Council's Benefits Service is contacted regarding a self-employed resident affected by the change to treatment of earnings under the revised LCTRS scheme, officers write to the resident asking them to:

- Complete and return a personal financial statement
- Provide their latest bank statements
- Submit their latest self-employed accounts
- Provide a contact telephone number

3.29 The Benefits Service then contact the Council Tax team to arrange for any recovery action to be suspended pending the resident's response.

3.30 In cases where the resident does not respond the following process is in place:

- If the Benefits Service does not hear from the resident within 2 weeks a reminder is issued advising that unless a response is received within 2 weeks it will be assumed he/she does not wish to take up the offer of help and advice.
- If a response is not received within 2 weeks the resident is written to advising that as a response to the 2 requests issued has not been received it is assumed he/she does not want to pursue the offer of help but if they remain interested they should contact the service within 7 days.
- If the resident does not contact the service within 7 days a further letter is sent explaining that as he/she has not responded within 7 days we assume he/she does not wish to take up of the help on offer and is liable to pay the council tax as indicated on the latest demand issued. Council Tax are advised to resume recovery action.
- If subsequently the resident does make contact, the recovery action is suspended and support provided.

3.31 In cases where the resident provides the information requested the following support is provided:

- The resident is contacted to arrange a date, time and venue for interview.
- At the interview the Benefits Service will try to establish if any help or advice can be provided in respect of budgeting and ways in which to improve their business. This includes signposting to other services as required.

- Following the interview the Benefits Service will consider whether to apply a discretionary reduction in council tax for a temporary period in accordance with s13A of the Local Government Finance Act 1992 and the service will write to notify the resident of the outcome. The resident is advised to make contact should they disagree with the outcome.
 - If a reduction is awarded the council tax team are notified of the amount and a revised Council Tax demand is issued to the resident following application of the reduction.
 - The reduction is reviewed as the reduction period is due to expire and the resident is contacted to see whether their circumstances have improved, or whether the reduction needs to continue.
- 3.32 Although 2,544 self-employed residents were originally affected by the minimum income floor provision, only 217 initially contacted the council to apply for S13A support. Of the 217 only 112 responded and attended interviews set up to establish the support required. This represents less than 5% of the residents affected. Although the Council's Benefit Service have attempted to contact the remaining 105 residents on at least 3 occasions they have failed to respond. Further engagement is on-going to maximise the opportunity for self-employed respondents to seek support.
- 3.33 To date 75 self-employed residents affected by the MIF have been awarded a S13A discount.
- 3.34 Support for Disabled non-dependant deductions
- 3.35 Disabled non-dependants where the non-dependant deduction applied under the current scheme is above the lowest level of £4.00 per week and the claimant incurs additional expenses in respect of the non-dependants' disability. This is an unintended consequence of the LCTRS and contact has been made to all identified cases to ascertain if hardship is being incurred. We have awarded financial support to all those who have responded to confirm this is the case. Additionally we continue to proactively contact households that have disabled non-dependants and who have not yet responded.
- 3.36 The process adopted is as follows:
- 3.37 The Benefits Service has endeavoured to contact all households with disabled non dependants who are adversely affected by the non dependant deduction change, to:
- Request details of additional expenditure in respect of the non-dependants disability and
 - Use this information to consider whether a discretionary Council Tax discount is appropriate
- 3.38 The assessment of the information is "light touch" in considering whether a S13A reduction is appropriate and the information provided by residents is taken at face value.
- 3.39 The effect of any reduction will be to offset any increase in the deduction applied in respect of each disabled non-dependant above £4.00 per week.
- 3.40 So, if a disabled non dependant currently attracts a £8.00 per week non dependant deduction, the service should recommend a S13A Council Tax deduction of £4.00 per week.

- 3.41 The process adopted is that on receipt of the information requested the Benefits Service will:
- Contact Council Tax and request recovery is suspended pending the outcome of the S13A request
 - Consider whether a S13A reduction is appropriate
 - Advise Council Tax to apply a reduction to Council Tax if appropriate
 - Notify the resident of the outcome
- 3.42 If the information is not provided a reminder is issued when 4 weeks have lapsed following the initial request. A second reminder after a further 2 weeks have lapsed and inform that if a reply is not received within 2 weeks it will be assumed the resident does not want to be considered for a reduction. When a further 2 weeks have lapsed the Benefits Service will write to inform the resident that as they have made no contact, they do not wish to be considered for a S13A reduction. However the service will retain the discretion to consider applying a reduction if the resident makes contacts at a later date.
- 3.43 As a result S13A discounts have been applied in respect of all affected households that responded and the effect of the discounts is to reduce the deduction applied in respect of each disabled non dependant to £4.00 per week. The total number of reductions for disabled non-dependants is 177.
- 3.44 Timetable
- 3.45 As the timeframe for undertaking the statutory consultation, modelling the effects of any change, agreeing and implementation is relatively short, the proposal is for Officers to immediately commence required modelling of any changes that the Mayor wishes to consider for the 2019/2020 LCTRS.
- 3.46 As soon as the modelling is complete the full public consultation is expected to launch at the end of July 2018. Once the public consultation responses have been collated and evaluated, Officers will produce a report to Cabinet on the consultation responses in November 2018.
- 3.47 Scheme options
- 3.48 Appendix 2 of this report provides a set of scheme options for consideration.
- 3.49 Self-employed and Disabled non dependants where the deduction is above £4.00 per week
- 3.50 Appendix 3 of this report provides additional detail in relation to the number of self-employed and disabled non-dependants being charged a weekly deduction in excess of £4 per week in receipt of LCTRS, together with details of those who have accessed Section 13A support.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This paper seeks Cabinets views on proposed changes to LCTRS for 2019-20. The current scheme cost for 2017-18 is £24,733,721.
- 4.2 The proposed recommendations in this report, if accepted by the Cabinet will be subject to full public consultations and need to be financially modelled and evaluated to ascertain the impact on the Councils MTFP before being referred back to Cabinet prior to decisions for change to the LCTRS being agreed.

5. LEGAL COMMENTS

- 5.1 The Council has a Local Council Tax Reduction Scheme (LCTRS) in accordance with powers contained in section 13A of and Schedule 1A of the Local Government Finance Act 1992. The current LCTRS is for the financial year 2018/19.
- 5.2 For each financial year, the Council must consider whether to revise its scheme or to replace it with another scheme. Any revision to its scheme, or any replacement scheme, must be made no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 5.3 Before revising or replacing its scheme, the Council must (in the following order):
- (a) consult any major precepting authority which has power to issue a precept to it;
 - (b) publish a draft scheme in such manner as it thinks fit; and
 - (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The report confirms that the consultation process will be commenced in July 2018 and that the representations made as a result of that process will inform the ultimate decision.

- 5.4 When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). A proportionate level of equality analysis must be undertaken prior to the ultimate decision being taken in order to enable the Council to adequately discharge its equality duty.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Any changes to the Local Council Tax Reduction Scheme will require a full equality impact assessment to be undertaken.
- 6.2 There are client groups within the LCTRS who are fully protected e.g. pensioners.
- 6.3 A decision not to change the LCTRS would mean in effect that nobody has any more to pay, all classes of people would therefore be protected through the continuation of the means tested local scheme.
- 6.4 As part of any EQIA we will ensure that no individual or group will be adversely affected by any proposed 2019/2020 scheme changes.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The report acknowledges the financial pressures on the Council and proposes that the Council undertakes an options review for its 2019/2020 Local Council Tax Reduction Scheme.
- 7.2 The appendix attached to this report offers options for consideration for the Mayor in Cabinet.
- 7.3 Any proposals that may arise in terms of options for change would be subject to full public consultation.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 None.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The principal risk to the Council is to ensure that it has an agreed and workable scheme in place for 2019/2020. This report is the first stage in that process.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 None.

11. SAFEGUARDING IMPLICATIONS

- 11.1 None.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- **Appendix 1 - London Boroughs LCTRS - Minimum Council Tax Payment**
- **Appendix 2 – LCTRS possible options for 2019/2020**
- **Appendix 3 – Self-employed and disabled non dependants**

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

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Appendix 1 - London Boroughs LCTRS - Minimum Council Tax Payment

The table below sets out the latest information available for 2017/18 LCTR schemes regarding minimum council tax contributions, residents who receive full LCTRS were expected to pay as a percentage of their council tax liability in each of 33 London boroughs.

Local Authority	Minimum Council Tax Payment %
Barking & Dagenham	25%
Barnet	20%
Bexley	20%
Brent	20%
Bromley	25%
Camden	0%
City of London	0%
Croydon	15%
Ealing	25%
Enfield	26.5%
Greenwich	15%
Hackney	15%
Hammersmith & Fulham	0%
Haringey	19.8%
Harrow	30%
Havering	15%
Hillingdon	25%
Hounslow	0%
Islington	8.5%
Kensington & Chelsea	0%
Kingston Upon Thames	0%
Lambeth	15%
Lewisham	33%
Merton	0%
Newham	20%
Redbridge	20%
Richmond Upon Thames	15%
Southwark	15%
Sutton	17.5%
Tower Hamlets	0%
Waltham Forest	24%
Wandsworth	30%
Westminster	0%

Tower Hamlets is one of only 8 London boroughs, (24%) where the LCTRS does not include a minimum payment provision.

This means that Tower Hamlets residents entitled to maximum council tax reduction do not have to pay any council tax.

Note – For the current financial year 2018/19, Hackney have increased their minimum payment from 15% to 17%, Newham are unchanged at 20%, Greenwich are unchanged at 15% and Lewisham are unchanged at 33%.

Appendix 2 – LCTRS possible options for 2019/2020

The following represent a set of options for consideration in order to establish the Mayor in Cabinet's view of the proposals that should be subject to public consultation.

Option 1

Revert to the default scheme in place prior to 1 April 2017.

Option 2

Limit maximum entitlement to below 100% of full council tax liability but provide protection for vulnerable residents. There are 2 ways this can be achieved both of which were included as options in the public consultation undertaken prior to the adoption of the current scheme.

The council can select the level of maximum entitlement but for the sake of expediency the 2 methods set out below are based on 90% of council tax liability

Method 1 (Top Slice) - Replicate the assessment criteria included in the pre April 2017 scheme but base maximum entitlement on 90% of an applicant's CT liability. This means that residents in receipt of a "passported" benefit and those with income below the set allowances will have to pay 10% of their council tax liability less any non-dependant deductions.

The amount paid by residents with income above their set allowance will be 10% of their council tax liability plus 20% of the income above the allowance plus any non-dependant deductions.

Method 2 (Bottom Slice) - Replicate the assessment criteria included in the pre April 2017 scheme and base maximum entitlement on 100% of an applicant's CT liability but then reduce entitlement by 10%. For those on maximum entitlement the effect would be the same as method 1 but those who get less than the maximum will be slightly better off because the 10% deduction would be applied to their entitlement instead of their council tax liability.

To illustrate the differences the examples below assume weekly Council Tax of £21.83.

Method 1

Resident entitled to maximum CTR calculated at $£21.83 \times 90\% = £19.65$.
Resident pays £2.18 per week.

Resident income is £50.00 per week above the applicable allowance.
20% of the excess income is deducted from 90% of the liability.

So;

£19.65 (90% of CT liability), less
£10.00 (20% of the £50.00 excess income)

£9.65 CTR.

Resident pays £12.18 per week.

Method 2

Although the calculation process is slightly different, for residents entitled to maximum CTR the result is the same as Method 1

Max entitlement is £21.83 less 10% = £19.65.

The resident pays £2.18 per week.

However, residents with income above the applicable allowances are slightly better off than under Method 1 as shown below:

Resident income is £50.00 per week above the applicable allowance:

£21.83 (full weekly CT liability), less

£10.00 (20% of the £50.00 excess income)

£11.83. The 10% reduction is applied to the award instead of CT liability. So subtract

£1.18, (10% of £11.83).

£10.65 CTR.

The resident pays £11.18 per week.

Consideration could be given to applying protection to residents deemed as being “vulnerable” to ensure their CTR is based on full CT liability under both Methods 1 and 2.

To enable this provision the council will need to consider what constitutes “vulnerability”. For instance where any person in the household is disabled and receives either AA, PIP, DLA or ESA Support component.

Option 3

Retain the current scheme as set out above. The current scheme has caused some issues mainly around the Self-employed MIF and disabled non dependant deductions.

Although the effect of these provisions has been mitigated by application of a discretionary discount to council tax liability under S13A of The Local Government Finance Act 1992, the effect on residents has resulted in some criticism.

Option 4

Retain the basis of the current scheme with any or all of the following changes:

1. Limit the non-dependant deductions applied in respect of disabled non dependants in receipt of AA, ESA, PIP or DLA to £4.00 per week. The rationale for this is that it is likely to be less punitive for disabled households and would also remove the current administrative burden of applying a S13A reduction in respect of this cohort.
2. Continue to apply the MIF to residents who have been self- employed for longer than 12 months and enhance the support provided to self-employed claimants to address any hardship claims and in addition consider changes relating to hourly rate and tax credits for example:

Instead of basing it on a blanket amount (currently £7.836 per hour x35 hours), use the hourly rates of minimum wage applicable to the various age ranges as set out in the table below as this will better align with how the MIF is

applied in the assessment of Universal Credit and may be slightly more generous to residents.

We could also exempt single parents with a child aged under 5 from the MIF as this exemption now exists in UC.

Age	Hourly rate	Weekly rate (35 hours)
25 and above	£7.83	£274.05
21-24	£7.38	£258.30
18-20	£5.90	£206.50
Under 18	£4.20	£147.00

- I. Use the MIF as a substitute for both actual earnings and Working Tax Credit. This is unlikely to make any significant difference to most affected residents but may benefit a few as currently the MIF is used to substitute actual earnings and is applied in the addition to all other income in the assessment of CTR. (We would need to model this change in order to ascertain the cost and number of residents beneficially affected).
- II. Extend the backdating provision to 52 weeks. Under the current provision some residents who qualify for HB but not CTR may experience a change of circumstances which would entitle them to CTR but in order to take advantage of this they would need to re-apply. However, it is unlikely the resident will be aware they would be entitled to CTR and if they delay applying we are only able to backdate entitlement for 1 month. Therefore extending the backdating limit to 52 weeks would ensure that these residents are not penalised for any reasonable delays in claiming CTR.
- III. Align CTR with the 2 child allowances applied in the assessment of Housing Benefit. This will remove allowances made for income the resident no longer gets.

The current CTR scheme includes an allowance (income disregard) for each child that mirrors the child element included in the assessment of Child Tax Credit. The effect of this is that the amount of Child Tax Credit a resident gets for each child is disregarded in the assessment of CTR. However, although recent changes to Child Tax Credit limit the child element to 2 children this is not reflected in the current LCTRS. This means our local scheme continues to apply child allowances for 3 or more children even though the families are not getting any Child Tax Credit for these children.

So, by leaving the additional child allowances for families with 3 or more children in our in LCTRS we are effectively providing a disregard for income, the family does not actually get.

Appendix 3 – Self-employed and disabled non dependants

Table 1 - Self-employed and the introduction of the minimum income floor

Self-employed residents in receipt of LCTRS

March 2017	April 2017	March 2018	July 2018
2,544	834	586	523

Notes:

March 2017 shows the numbers of self-employed prior to the introduction of the MIF.

April 2017 shows the numbers after the introduction of the MIF.

Thereafter the decrease is due to a combination of both caseload churn and the length of self-employment extending beyond the 12 month threshold triggering the MIF.

July 2018 – there are an additional 49 residents in receipt of LCTRS who are now in receipt of Universal Credit.

Table 2 – Current Self-employed LCTRS recipients by household status

Current self-employed LCTRS households – July 2018

Households in receipt of LCTRS currently	Couples with children	Couples no children	Lone Parents	Single
523	415	34	46	28

There are 66 live self-employed cases that also incur a non dependant deduction.

Table 3 – Self-employed LCTRS recipients by household status receiving a Section 13A discount

Self-employed households in receipt of LCTRS that have demonstrated hardship and have been awarded a S13A discount

Number of Section 13A discounts applied	Couples with children	Lone Parents	Single
75	44	14	26

There are a total of 25 single or lone parent women in receipt of a Section 13A (from a total of 40)

Tables 4 and 5 – Approaches and Section 13A support from LCTRS recipients who are self-employed or disabled non-dependants

The tables below illustrate the effect of discretionary provision to decrease Council Tax liability under S13A of the Local Government Finance Act 1999.

This provision was included in the Council’s LCTRS to help avoid any potentially unavoidable hardship caused by the scheme changes introduced from April 2017.

This being the case the primary focus for S13A applications is:

1. Self Employed residents affected by the “minimum income floor” (MIF).
2. Disabled non dependants for whom the deduction applied is above the minimum £4.00 per week.

Table 4 - Self-employed and support provision

Number of residents asked to provide information and evidence and invited to interview	217
Number of residents who provided information and evidence and attended an interview	112
Number of residents awarded a Council Tax discount under S13A	75
Number of interviews/decisions pending	20

Table 5 - Disabled Non Dependants where the weekly deduction exceeds £4.00 per week and support provision

Number of residents invited to apply for S13A	327
Number of residents who applied	190
Number of residents awarded a Council Tax discount under S13A	177
Number of decisions pending	13