

# Officer Decision Making

Friday, 20th January, 2017  
at 2.00 pm

## PLEASE NOTE TIME OF MEETING

Room 204, Civic Centre, Southampton

This meeting is not open to the public

### **Decision Maker**

Service Director, Finance and Commercialisation  
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## AGENDA

Agendas and papers are available via the Council's website

**1 COUNCIL TAX REDUCTION SCHEME 2017-18 (Pages 1 - 50)**

Report of the Revenues and Benefit Client seeking approval for the 2017-18 and subsequent years the amended Southampton City Council Tax Reduction Scheme, attached.

Thursday, 12 January 2017

Service Director, Legal and Governance

# Agenda Item 1

<b>DECISION-MAKER:</b>	<b>SERVICE DIRECTOR, FINANCE AND COMMERCIALISATION</b>		
<b>SUBJECT:</b>	<b>COUNCIL TAX REDUCTION SCHEME 2017-18</b>		
<b>DATE OF DECISION:</b>	<b>20 JANUARY 2017</b>		
<b>REPORT OF:</b>	<b>REVENUES &amp; BENEFIT CLIENT</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Steven Olney</b>	<b>Tel: 023 8083 2841</b>
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<b>Director</b>	<b>Name:</b>	<b>Mel Creighton</b>	<b>Tel: 023 8083 4897</b>
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<b>STATEMENT OF CONFIDENTIALITY</b>	
None	
<b>BRIEF SUMMARY</b>	
<p>The first Southampton Council Tax Reduction Scheme 2014 was agreed by the Council on 16 January 2013. Subsequently the Southampton Council Tax Reduction Scheme has been approved each year under delegated authority by the Chief Financial Officer, with the 2016 scheme approved on 18th January 2016.</p>	
<p>This report recommends changes to that agreed scheme to implement subsequent legislative changes and to take account of the annual benefits uprating which come into effect in April 2017.</p>	
<p>The Chancellor of the Exchequer, announced several welfare measures as part the Summer Budget on 8<sup>th</sup> July 2015. Some of the changes announced in July 2015 apply to claims from the 1<sup>st</sup> April 2017 for the first time. Of most significance are the planned changes to the assessment of Housing Benefit (HB) which will be included in our local Council Tax Reduction scheme (CTR).</p>	
<p>Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”). The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”) prescribe matters which must be included in such a scheme in addition to matters set out in paragraph 2 of Schedule 1A to the 1992 Act. Each year regulations amending the 2012 Regulations are made in November/December. The majority of the amendments are to ensure consistency with changes to social security legislation and will be included in our local scheme.</p>	
<p>These annual changes were announced by the Minister of State for Pensions on 28 November 2016. The DWP published the changes in a Housing Benefit Circular A12/2016.</p>	
<b>RECOMMENDATIONS:</b>	
(i)	To approve for the year 2017-18 and subsequent years the amended Southampton City Council Tax Reduction Scheme.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	

1.	The Southampton Council Tax Reduction Scheme requires amendment to implement prescribed government regulations, welfare measures included in the 2015 Summer Budget and to take account of the uprating to the social security benefit rates that will apply from April 2017.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	There have been no recommendations for substantive change to the adopted scheme other than to implement the required legislative changes set out in this report.
<b>DETAIL (Including consultation carried out)</b>	
3.	Council Tax Benefit was abolished with effect from 1 April 2013 and replaced by local Council Tax Reduction Schemes (CTRS). The Council commenced consultation on a draft scheme in September 2012 and an Equality and Safety Impact Assessment was prepared. The draft scheme was based on the Government Default Scheme (i.e. substantially the same as Council Tax Benefit) but with a 25% reduction in the support given (termed a 25% baseline reduction).
4.	In November 2012 the Government announced that a transitional grant would be made available for 2013/14 only to authorities which implement “well designed schemes”. Well designed in this context meant a scheme that: <ul style="list-style-type: none"> <li>• Restricted any cut for people on full benefit to 8.5%</li> <li>• Limited the taper to 25% or less</li> <li>• Avoided a sharp reduction in benefit for those entering work.</li> <li>• Did not impose large increases in non-dependant deductions</li> </ul>
5.	As a result two schemes were approved by Council on 16 January 2013. The first for the year 2013/14 was compliant with the terms of the transitional grant. The second, for 2014/15 and subsequent years, is a 25% baseline reduction scheme. This entitled the Council to a one-off grant in 2013/14 of £378,847.
6.	It was recognised that the 2014/15 scheme and subsequent year’s scheme would need to be amended prior to its implementation in April 2014 and each April thereafter to take account of legislative change and the annual uprating of benefits.  The Chief Financial Officer was therefore given the delegated authority following consultation with the Head of Legal, HR and Democratic Services and the Cabinet Member for Resources to: “make any subsequent changes necessary to the adopted Scheme to give effect to the requirements of any Act, Regulations or Statutory Guidance enacted or published after the date of adoption.”
7.	The Chancellor of the Exchequer, announced a number of welfare measures as part of the Summer Budget on 8 <sup>th</sup> July 2015. Some of the changes apply for the first time to the assessment of housing benefit claims from the April 2017 and would normally be included in our local council tax reduction scheme; <ul style="list-style-type: none"> <li>• From April 2017, child allowances will no longer be applied for the third and subsequent children born after 6 April 2017 in claims for</li> </ul>

	<p>child tax credit, HB and UC. Also applies to families claiming UC for the first time after April 2017. There will be provision for exceptional circumstances such as multiple births. Those already claiming for more than two children before 6 April 2016 will continue to receive allowances for more than two children.</p> <ul style="list-style-type: none"> <li>• Unemployed 18 to 21 year olds will not be entitled to housing benefit and the housing support element in Universal Credit. Statutory instrument will be laid containing the detail of the measure and to introduce it from April 2017.</li> <li>• All new applicants of Employment and Support Allowance (ESA) who fall within the work related activity group will no longer receive the component in either their ESA or within the calculation of housing benefit. This means that those with a limited capability for work will receive the same level of award as non-disabled JSA claimants</li> <li>• Housing benefit claims would, with some exceptions, be limited to 4 weeks for claimants who spend time outside of Great Britain (known as temporary absence). This change reduces the time period that someone can be treated as occupying their home- and therefore able to claim housing benefit whilst abroad - to 4 weeks.</li> </ul> <p>In the Autumn Statement 2016 made on 23<sup>rd</sup> November 2016, the government did not introduce any additional welfare measures.</p>
8.	<p>The main changes are ;</p> <ul style="list-style-type: none"> <li>• To comply with the prescribed requirements regulations within the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment Regulations 2016 S.I 2016 NO.1262.</li> <li>• Where the above regulations apply to people defined as pensioners, to make equivalent changes to the scheme provisions for people who are not pensioners.</li> <li>• These amendments are made by the DCLG to align the allowances, premiums and deductions in the prescribed requirements regulations with the DWP increased amounts following autumn statements, in order to maintain consistency with the situation that would have applied under council tax benefit had council tax benefit not been abolished</li> <li>• To incorporate into our scheme the annual changes to social security benefit rates that will apply from April 2017 which were announced by the Minister of State for Welfare reform in his written statement to Parliament on 28 November 2016. The DWP Housing Benefit Circular A12/2016 advises of the rates that will apply from April 2017.</li> </ul>
9.	<p>The statutory instrument and social security benefit rate changes update matters that must be in each scheme. The amendments increase a large number of figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The updated figures relate to;</p> <ul style="list-style-type: none"> <li>• non-dependent deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults</li> </ul>

	<p>living in the dwelling who are not dependents of the applicant);</p> <ul style="list-style-type: none"> <li>• the applicable amount in relation to an applicant for a reduction (the amount against which an applicant's income is compared in order to determine the amount of reduction to which he or she is entitled);</li> <li>• the income bands in relation to which the amount of a person's alternative maximum council tax reduction is calculated</li> <li>• and a disregard that applies when calculating a person's income</li> </ul>
10.	The amended 2017 scheme will be available to view on the Councils' website.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
11.	Council Tax Benefit was 100% funded by central government. The Government abolished Council Tax Benefit from 1 <sup>st</sup> April 2013 and reduced the funding to 90% of previous funding assumptions. To take account of the reduced funding the council designed and introduced the local Council Tax Reduction scheme to be 'self- financing'.
12.	From 2013-17 Council Tax Support funding has been 'rolled' into the Revenue Support grant (RSG). The amount of funding now received is not separately identified within the Local Government Financial Settlement figures. The scheme is no longer self-financing but it is not possible to accurately identify the true cost of the scheme to the Council with the lack of clarity of the funding within the RSG.
13.	The council each year sets aside a £200K hardship fund which will provide additional support, in exceptional circumstances, to local residents who have been awarded CTR. The hardship fund ensures that the most vulnerable can access additional support in exceptional circumstances.
<b><u>Property/Other</u></b>	
14.	None.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
15.	The requirement to introduce a local Council Tax Reduction scheme is contained in the Local Government Finance Act 2012 and the detailed requirements of the schemes are in the regulations as amended.
16.	Each billing authority must make a Council Tax Reduction scheme no later than 31 <sup>st</sup> January of the financial year to which the scheme relates.
<b><u>Other Legal Implications:</u></b>	
17.	<p>In designing schemes authorities have a number of statutory responsibilities, including:</p> <ul style="list-style-type: none"> <li>• The Equality Act 2010;</li> <li>• The Child Poverty Act 2010;</li> <li>• The Armed Forces covenant;</li> <li>• Housing Act 1996</li> </ul> <p>These responsibilities were taken into account when the CTRS was approved</p>

	in January 2013 and there is nothing in the amendments proposed that conflicts with these responsibilities
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
18.	This change is consistent with, and not contrary to, the Council's Policy Framework.

<b>KEY DECISION?</b>	<b>Yes/No</b>
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<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>All</b>
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<b><u>SUPPORTING DOCUMENTATION</u></b>
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<b>Appendices</b>
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1.	Housing Benefit Circular A7/2016 The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016
2.	LCTRS 2017-18 briefing note
3.	Discretionary Housing Payment and Discretionary Council Tax Reduction policy.
4.	HB Circular A12/2016 and S.I 2016 No.1262 the prescribed regulations.

<b>Documents In Members' Rooms</b>
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1.	None
2.	

<b>Equality and Safety Impact Assessment</b>
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Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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<b>Privacy Impact Assessment</b>
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Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
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<b>Other Background Documents</b>
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<b>Other Background documents available for inspection at:</b>
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Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

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### Southampton City Council

#### Policy Document

#### Discretionary Housing Payment and Discretionary Council Tax Reduction

This document sets out the policy of Southampton City Council regarding;

- Discretionary Housing Payment (DHP) for residents in receipt of Housing Benefit (HB) or Universal Credit (UC) that includes a housing element towards rental liability
- Discretionary Council Tax Reduction (DCTR) for residents in receipt of Council Tax Reduction.

It primarily provides guidance on who is eligible for a payment but also provides administrative guidance on claims, changes and appeals. Any reference to UC is where the claimant meets the above criteria, i.e. a housing element towards rental liability is included.

#### **Background and Purpose**

1. DHP is governed by the Discretionary Financial Assistance Regulations 2001. A payment may be made when the Council considers that additional help is required with people's housing costs. It may cover:
  - reductions in HB or UC where the benefit cap has been applied;
  - reductions in HB or UC for under-occupation in the social rented sector;
  - reductions in HB or UC as a result of local housing allowance restrictions;
  - rent shortfall to prevent a household becoming homeless whilst the housing authority explores alternative options;
  - rent officer restrictions such as local reference rent or shared room rate;
  - non-dependant deductions;
  - shortfall due to income tapers;
  - where a claimant, does not meet the criteria for a payment on two homes or HB prior to moving in under the normal rules.
2. DCTR forms part of the Southampton Council Tax Reduction Scheme (paragraph 29 (1) (A)). A payment may be made when the Council considers that additional help is required with meeting the council tax liability. It may cover:
  - the 25% reduction for people of working age.;
  - non-dependant deductions;
  - shortfall due to income tapers.
3. The aims of the Council in operating this policy are to:
  - alleviate poverty;
  - support vulnerable young people in the transition to adult life;
  - encourage and sustain people in employment;
  - safeguard residents in their own homes;
  - tenancy sustainment and homelessness prevention
  - help those who are trying to help themselves;
  - keep families together;
  - support the vulnerable in the local community;
  - help people through personal and difficult events;
  - support people back into work where they are able to do so.

## **Eligibility**

4. A claim is required. This can initially be in written format (including electronic), over the telephone or in person, however the customer must then complete the Council's application form to proceed with their claim. Assistance will be provided if needed.
5. The customer must provide the evidence requested on the form, or subsequently by The Council. This may include rent arrears, bank statements, household income, outgoings and debts.
6. If the customer is unable to or does not provide the required evidence, the Council will still consider the application. The Council take into account any other available evidence including that held on the housing benefit computer system. An application may be unsuccessful because a customer has failed to provide additional information without good cause.
7. Each case will be treated strictly on its merits and all customers will be treated equally and fairly. All relevant factors presented by the customer will be taken into account and only relevant factors will be considered.

## **Awarding a DHP**

8. In deciding whether to award a DHP, the Council will take into account:
  - the shortfall between HB or UC and the liability;
  - any steps taken by the customer to reduce his or her rental liability;
  - any rent in advance, fees and/or deposits paid;
  - other lump sum costs, for example removal costs;
  - the financial and medical circumstances (including ill health and disabilities) of the customer, his or her partner, any dependants and any other occupants of the customer's home;
  - the income and expenditure of the customer, his or her partner and any dependants or other occupants of the customer's home;
  - any savings or capital that might be held by the customer or his or her family;
  - the level of indebtedness of the customer and his or her family;
  - the exceptional nature of the customer and his or her family's circumstances;
  - the amount available in the DHP budget at the time of the application;
  - the scope to negotiate a lower rent;
  - the need to remain in the property in order to access to medical or support services;
  - the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation following eviction;
  - any other relevant information brought to the attention of the Council.

## **Awarding a DCTR**

9. In deciding whether to award a DCTR, the Council will take into account:
  - the shortfall between the Council Tax Reduction (CTR) and the liability;
  - any steps taken by the customer to reduce his or her Council Tax liability;
  - the financial and medical circumstances (including ill health and disabilities) of the customer, his or her partner, any dependants and any other occupants of the customer's home;
  - the income and expenditure of the customer, his or her partner and any dependants or other occupants of the customer's home;
  - any savings or capital that might be held by the customer or his or her family;
  - the level of indebtedness of the customer and his or her family;

- the exceptional nature of the customer and his or her family's circumstances;
  - the amount available in the DCTR budget at the time of the application;
  - the need to remain in the property in order to access to medical or support services;
  - the possible impact on the Council of not making such an award;
  - any other relevant information brought to the attention of the Council.
10. DHP and DCTR form just part of the help available to people facing hardship. The Benefits Service will work with other Council departments, the local voluntary sector, social landlords and other stakeholders in the City to ensure customers can take full advantage of all forms of support, including state benefits, income maximisation advice and budgeting advice. The availability to the customer of alternative help will be taken into account when considering any award of DHP and DCTR.
11. DHP plus HB/UC must not exceed the rental liability. DCTR plus CTR must not exceed the council tax liability.

### **Period of award**

12. In all cases, the Council will decide the length of time for which a DHP and/or DCTR will be awarded on the basis of the evidence supplied and the facts known.
13. The minimum period for an award for a DHP is one week and for DCTR is one day. The length of award is discretionary and each case will be treated strictly on its merits.
14. The Council will normally award DHP and/or DCTR within the current financial year and not exceeding that financial period, subject to review.
15. The Council will consider any reasonable request for backdating an award, or may choose to backdate the award at their discretion (but it must be consistent with the award of HB/UC or CTR).
16. When there is a specific end date, the customer will be advised what the period of the award is.
17. The award can be given as support for a period to allow individuals time to improve their circumstances, or to move somewhere they can better afford.

### **Changes of Circumstances**

18. Many changes of circumstances that customers have a duty to report for HB/UC/CTR purposes may also be relevant to their continuing to get DHP or DCTR. The Council will use such information to review the level of support granted.

### **Method of Payment**

19. The Council will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:
- the customer;
  - his or her partner;
  - an appointee;
  - in the case of DHP, his or her landlord (or an agent of the landlord); or
  - any third party to whom it might be most appropriate to make payment.
20. An award of DHP will be paid by the most appropriate means available in each case. Usually this will be by electronic transfer (e.g. BACS) or a credit to the rent account. An award of DCTR will be credited the customer's Council Tax account

21. The payment frequency of DHP will normally match the frequency of the HB or for UC a period that matches rent frequency.

### **Notification**

22. The Council will inform the customer in writing of the outcome of his or her application(s), as soon as is reasonably practicable, whilst avoiding unnecessary delay and promoting consistency. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the Council will advise:

- the weekly amount of DHP and or DCTR awarded;
- the period of the award;
- how, when and to whom the award will be paid;
- the requirement to report a change in circumstances.

### **The right to seek a review of a DHP**

23. DHPs are not payments of Housing Benefit or Universal Credit and are therefore not subject to the statutory appeals mechanism. However there is an appropriate internal review process.

24. The Council operates the following policy for dealing with requests for reviews. This includes cases where there is a:

- refusal to award a DHP
- decision to award a reduced amount of DHP;
- decision not to backdate a DHP; or
- decision that there has been an overpayment of a DHP.

25. A customer (or his or her appointee or agent) who disagrees with a DHP decision may dispute the decision. A request for a review shall be delivered in writing to the Council within one calendar month of the written decision about the DHP being issued to the customer.

26. The Council may also review a DHP decision in the event of a dispute either at the time of the initial rejection or subsequent to a cancellation or recovery.

27. On receipt of a review request the case will be reviewed by the Appeals Team Leader. They may ask for additional information to substantiate the claim when deciding the outcome of the review. If the original decision is upheld, an acknowledgement letter is sent to the claimant or third party advising that the case has been referred to the DHP panel for consideration. The DHP panel consists of representatives from the Client Team, the Welfare Rights and Money Advice Unit and a manager from Benefit Services.

28. The customer will be notified of the review outcome in writing with reasons as soon as is reasonably practicable.

29. The review decision will be final and binding and may only be challenged by judicial review or by complaint to the Local Government Ombudsman if there is an allegation of maladministration.

### **The right to appeal against a DCTR decision**

30. DCTR is part of the Southampton Council Tax Reduction Scheme and the customer has the same rights of appeal.

31. A customer (or his or her appointee or agent) who disagrees with a DCTR decision may dispute the decision. This must be in writing to the Council. There is no time limit for appeals.

32. The Council may also review a DCTR decision in accordance with the Council Tax Reduction Scheme.
33. On receipt of an appeal request the case will be reviewed by the Appeals Team Leader. They may ask for additional information to substantiate the claim when deciding the outcome of the appeal. If the original decision is upheld, an acknowledgement letter is sent to the claimant or third party advising that the case has been referred to the DHP panel for consideration. The DHP panel consists of representatives from the Client Team, the Welfare Rights and Money Advice Unit and a manager from Benefit Services.
34. The customer will be notified of the review outcome in writing with reasons as soon as is reasonably practicable and no later than 21 days after the appeal was received.
35. Where, following notification the customer is still aggrieved, or if the Council fails to notify the customer within two months of the appeal, they may appeal further to a valuation tribunal.

### **Overpayments of DHP**

36. The Council retains the authority to recover DHP overpayments and each case will be treated strictly on its merits or evidence of misrepresentation or failure to disclose a material fact, fraudulently or otherwise.

### **Excess DCTR awarded**

37. Where too much DCTR has been awarded the excess will be debited to the customer's council tax account.

### **Fraud**

38. The Council is committed to the prevention and detection of fraud. A customer who tries to fraudulently claim a DHP or DCTR by falsely declaring his or her circumstances, providing a false statement or evidence in support of their application, may have committed an offence. Where the Council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

Effective: 1<sup>st</sup> April 2015

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### Local Council Tax Reduction Scheme 2017/18

1. **Each billing authority in England must make a Council Tax Reduction Scheme no later than 31st January of the financial year to which that scheme relates.**
2. **It is proposed that the 2017-18 scheme is again adjusted to take account of the government changes made to housing benefit.**
3. This is because housing benefit and council tax benefit were broadly on all fours prior to 1<sup>st</sup> April 2013. The purpose of the uprating the figures being to maintain consistency with the situation that would have applied had council tax benefit not been abolished.
4. Council Tax Benefit was abolished with effect from 1 April 2013 and replaced by local Council Tax Reduction Schemes (CTRS). The Council commenced consultation on a draft scheme in September 2012 and an Equality and Safety Impact Assessment was prepared. The Council adopted the draft scheme which was based on the Government Default Scheme (i.e. substantially the same as Council Tax Benefit) but with a 25% reduction in the support given (termed a 25% baseline reduction).

#### 5. Background

#### 6. Prescribed Scheme; (pensioners)

7. In March 2013 the national system of council tax benefit (CTB) ended.
8. From 1 April 2013, responsibility for council tax support was transferred from the national CTB scheme to local council tax reduction (CTR) schemes, where each billing authority has discretion over its own scheme for working age claimants.
9. The Secretary of State made regulations which prescribe matters which must be included in local council tax reduction schemes. In particular these prescribed regulations make provisions in respect of pensioners.
10. At the same time the shift was accompanied by a 10% cut in government funding for the schemes.

#### 11. Default Scheme; (working age)

12. The Local Government Finance Act 2012 (Schedule 4) required the Secretary of State to prescribe by regulations a "default scheme". The default scheme is to take effect, in respect of dwellings situated in the area of a billing authority, if the authority fails to make its own scheme on or before 31st January 2013.
13. SCC adopted the default scheme as did many other councils in 2013 for its working age CTR scheme.

#### 14. Annual Uprating

15. For 2013 the prescribed scheme for pensioners and the default scheme for working age persons mirrored the matters contained within council tax benefit for determining the classes of person entitled to support and matters relevant to determining eligibility, calculation and the amount of reduction.
16. For 2014, The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (no.2) Regulations 2014 made provisions to amend certain figures which are used in calculating entitlements and the amount of the reduction for pensioners. The purpose of the uprating the figures being to maintain consistency with the situation that would have applied had council tax benefit not been abolished.

17. Each year this instrument aligns the allowances, premiums and deductions with the statutory increased amounts made in the Autumn Statement. The policy is to make amendments to the above Prescribed Requirement Regulations in line with amendments made to housing benefit. This is because housing benefit and council tax benefit were broadly on all fours prior to 1<sup>st</sup> April 2013.
18. However the 'default scheme' was only ever meant to be applied for one year, and the DCLG have been clear that they will not be uprating the default scheme each year. Therefore the SCC scheme for working age persons states that each year the authority will have regard to any comparable amounts determined by the DWP for the purposes of calculating entitlement to Housing Benefit. Essentially maintaining consistency with the situation had council tax benefit not been abolished.

**19. 2015 Government changes to welfare**

20. The Chancellor of the Exchequer, announced several welfare measures as part the Summer Budget on 8<sup>th</sup> July 2015. Of most significance were the planned changes to the assessment of Housing Benefit (HB) which would normally be included in our local Council Tax Reduction scheme (CTR).
21. Some of the changes announced in July 2015 apply to claims from the 1<sup>st</sup> April 2017.

**22. Changes which commence on the 1<sup>st</sup> April 2017**

23. From April 2017, child allowances will no longer be applied for the third and subsequent children born after 6 April 2017 in claims for child tax credit, HB and UC. Also applies to families claiming UC for the first time after April 2017. There will be provision for exceptional circumstances such as multiple births. Those already claiming for more than two children before 6 April 2017 will continue to receive allowances for more than two children.
24. Unemployed 18 to 21 year olds will not be entitled to housing benefit and the housing support element in Universal Credit. Statutory instrument will be laid containing the detail of the measure and to introduce it from April 2017.
25. All new applicants of Employment and Support Allowance (ESA) who fall within the work related activity group will no longer receive the component in either their ESA or within the calculation of housing benefit. This means that those with a limited capability for work will receive the same level of award as non-disabled JSA claimants
26. Housing benefit claims would, with some exceptions, be limited to 4 weeks for claimants who spend time outside of Great Britain (known as temporary absence). This change (which came into effect on 28<sup>th</sup> July 2016) reduces the time period that someone can be treated as occupying their home- and therefore able to claim housing benefit whilst abroad.

**27. It is proposed that the 2017-18 scheme is adjusted accordingly to take account of the above changes.**

28. The changes only affect working age claimants.
29. Pensioners remain fully protected and can still receive up to 100% support
30. If the above changes being made to Housing Benefit are not replicated in our CTR scheme the estimated cost of continuing to support these groups are detailed below and also our scheme will not match the national Housing Benefit scheme:
31. **Limit support to 2 children = £11,794 (estimated 89 claims affected)**
32. **Unemployed 18 to 21 year olds = £35,068.80 (estimated 60 claims affected)**



- 33. All new applicants of ESA (Work Related Component) = £7,173 (estimated 19 claims affected)**
- 34. Temporary Absence outside Great Britain = £1,008 (estimated 14 claims affected)**
- 35.** Note all figures are per annum, also for number 32 the majority of these claims are from people living in supported accommodation (like YMCA) and would expect DWP to have some caveats around who loses full benefit.

**36. Additional support**

- 37.** The council has each year set aside a £200K hardship fund which will provide additional support, in exceptional circumstances, to local residents who have been awarded CTR.
- 38.** This additional support helped 1,321 claimants in 2014 meet the shortfall between Council Tax Reduction and their overall council tax liability when having to deal with exceptional financial or personal circumstances. The amount awarded totalled £195,936 (an average award of £148.32).
- 39.** To receive support from the discretionary fund a claim is required. This can initially be in written format (including electronic), over the telephone, or in person. However the customer must then complete the Council's application form to proceed with their claim. Assistance with this application will be provided if needed.
- 40.** The application form for Discretionary Payments (hardship) directs customers where to go to get free advice from local agencies;
- SCC Welfare Rights
  - Southampton Advice and Representation Centre
  - No Limits (under 25's)
  - Cranbury Centre
  - Southampton Citizens Advice Bureau
- 41.** The hardship fund ensures that the most vulnerable can access additional support in exceptional circumstances.
- 42.** The SCC website page for Discretionary Payments also directs customers who are struggling in a crisis to organisations in the city that can offer support.
- 43.** Our local scheme remains means tested operating in a similar way to its predecessor national Council Tax Benefit. I.E. to work out Housing Benefit and Council Tax Reduction, the council will look at the money a claimant has coming in, including earnings, some benefits and tax credits and other income such as occupational pensions, savings, as well as the personal circumstances, age, the ages and size of their family, whether they or any of their family are disabled, and whether anyone who lives with them could help with the rent/council tax.

**44. Current scheme (As at the 1st September 2016);**

Annual Council Tax Reduction awarded	Pensioners	Working age	Total
31.3.2014	£7,079,260	£10,182,589	£17,261,849
31.3.2015	£6,830,296	£8,461,584	£15,291,880
31.3.2016	£6,519,304	£8,310,589	£14,829,893
1.9..2016	£6,334,229	£8,320,021	£14,654,580

CTR caseload	Pensioners	Working Age	Total
Caseload 1.9.2016	7,641	13,297	20,938
Pass-ported	4,694	8,480	13,174
Non pass-ported	2,947	4,817	7,764

45. The 7,641 pensioners will continue to receive the same amount of support as they would have done had Council Tax Benefit not been abolished. (Up to 100%)
46. Any change to the SCC scheme will mean an increase in the amount of council tax payable by working age claimants. **Those hardest hit will be the 8,480 working age claimants whose income consists of pass-ported benefits – Income Support, Employment Support Allowance and Jobseekers Allowance.**

**47. Effect of reducing support to working age claimants in 2017-18**

48. The table below, shows that reducing support from the current 75% down to 70%, adds up to £1 each week to a family living in a Band A property.
49. Reducing support further to 65%, adds up to £2 each week to family in a Band A property and £3 each week to a family in a Band D property

		Council Tax to pay.			Increase in Council Tax to pay.	
		25%	30%	35%	30%	35%
Full council tax 2016-17						
Band A	£1,041.91	£260.48	£312.57	£364.67	£52.10	£104.19
Band B	£1,215.57	£303.89	£364.67	£425.45	£60.78	£121.56
Band C	£1,389.22	£347.31	£416.77	£486.23	£69.46	£138.92
Band D	£1,562.88	£390.72	£468.86	£547.01	£78.14	£156.29
Band E	£1,910.19	£477.55	£573.06	£668.57	£95.51	£191.02

**50. Other consequences of reducing support to working age persons**

**51. Bad debt;**

52. If the council tax reduction support is reduced the likelihood of default increases.

53. In the first year (2013-14) of local council tax reduction, the in-year collection of council tax dropped by nearly half of one per cent and continues to be below the amounts collected prior to 2013-14. Only 68% of council tax levied against persons receiving council reduction being paid in-year.

54. The council has a provision for council tax bad debt and this would certainly have to be increased if council tax reduction support were reduced.

**55. Collection activity much increased with additional postage, printing, correspondence etc. costs incurred to council and claimant;**

**56. In 2012-13 the year prior to local council tax reduction;**

57. Reminder notices 43,603

58. Summons 14,906

59. Attachment to benefits 1,830

**60. In 2013-14 the first year of local council tax reduction schemes**

61. Reminder notices 69,545

62. Summons 21,826

63. Attachment to benefits 4,349

64. The debt owed by the customer increases by £70 costs being added for each summons sent.

**65. The relevant Housing Benefit changes in more detail;**

**66. Removal of allowance for third and other child;**

- From April 2017, child allowances will no longer be applied for the third and subsequent children born after 6 April 2017 in claims for child tax credit, HB and UC
- Provision for “exceptional circumstances”, such as multiple births.
- Those already claiming for more than two children before 6 April 2017 will continue to receive allowances for more than two children.
- In both existing and new claims, new births after that date will not qualify for the individual element.
- Disabled child born after 6 April 2017 will continue to qualify for the additional individual element regardless of the restriction to 2 children.

**67. Unemployed 18 to 21 year olds will not be entitled;**

- DWP has confirmed the removal of entitlement to HB and UC housing costs element for 18-21 year olds
- Statutory instrument will be laid to containing the detail of the measure and to introduce it from April 2017
- There may be exemptions such as young care leavers, parents who have children living with them, those who are ‘vulnerable’

**68. Changes to ESA**

- Statutory instrument will be laid to containing the detail of the measure and to introduce it from April 2017.
- The support component and associated limited capability for work and work related activity in HB and UC, paid to those who are more severely disabled and not expected to work, are unaffected by this change

**69. Temporary absence**

- Housing Benefit Circular A7/2016 provides information about the changes reducing the allowable period of temporary absence outside Great Britain.

**70. The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016 (S.I 2016/624) make amendments to the Housing Benefit Regulations 2006 and the Housing Benefit (Persons who have reached the qualifying age for State Pension Credit) Regulations 2006 to introduce new provisions which relate specifically to absences outside of Great Britain.**

**71. Government funding of local schemes**

- The Government abolished Council Tax Benefit from 1st April 2013 and Councils had to develop their own Council Tax Reduction schemes to replace it.
- Every council received 10% less from central government to fund the new schemes.
- People of pensionable age are protected and can still receive 100% support and so any reduction in support must be borne by working age claimants.
- **Following consultation and consideration of the responses, the Council adopted a self-funding scheme to cover the reduction in grant by reducing the support given to working age claimants by 25%.**
- However it is evident that the grants received from central government have been reduced further. Although the support for council tax reduction is not identified as a separate item in the revenue support grant the overall grant has been significantly reduced. Hence our local council reduction scheme is no longer self-funding.

**72. End**

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## Housing Benefit Circular

Department for Work and Pensions  
Caxton House, Tothill Street, London SW1H 9NA

# HB A12/2016

## ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Housing Benefit: Uprating 2017-18

### Guidance Manual

The information in this circular does affect the content of the HB Guidance Manual and the HB/CTB Overpayments Guide.

HB Guidance Manual: Please annotate this circular number against paragraph A4 4.750, 4.900, A5 Annex A, BW3 Annex A and BP3 Annex A.

HB/CTB Overpayments Guide: Please annotate this circular number against paragraphs 4.260 – 4.264.

### Queries

- **extra copies of this circular/copies of previous circulars** can be found at <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars>
- about the
  - **technical content of this circular**, contact [housing.benefitenquiries@dwp.gsi.gov.uk](mailto:housing.benefitenquiries@dwp.gsi.gov.uk)
  - **distribution of this circular**, contact [housing.correspondenceandpqs@dwp.gsi.gov.uk](mailto:housing.correspondenceandpqs@dwp.gsi.gov.uk)

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## Housing Benefit: Uprating 2017-18

### Introduction

1. In his written statement to Parliament on 28 November 2016, the Minister of State for Welfare Reform announced his proposals for the social security benefit rates that will apply from April 2017.
2. This circular advises you of the rates so you can take the appropriate action.  
**Note:** At the time of writing, the Orders or regulations bringing the changes into effect are still subject to the appropriate Parliamentary process.
3. Any queries about the information contained in this circular should be emailed to [housing.benefitsenquiries@dwp.gsi.gov.uk](mailto:housing.benefitsenquiries@dwp.gsi.gov.uk)

### Timing

4. In line with previous practice, the main Housing Benefit (HB) uprating will be introduced in advance of the setting of the main social security benefit rates. To coincide with the week in which many rents change, the 2017 uprating will take effect on:
  - Saturday 1 April 2017 for cases to which HB 2006 Regulation 79(3)(a)(i) (for working age customers) and HB (SPC) 2006 Regulation 59(3)(a)(i) (for people who have attained the qualifying age for Pension Credit) applies, when rent is paid monthly or at any interval which is not a week or multiples of a week
  - Monday 3 April 2017 for cases to which HB 2006 Regulation 79(3)(a)(ii) (for working age customers) and HB (SPC) 2006 Regulation 59(3)(a)(ii) (for people who have attained the qualifying age for Pension Credit) applies, when rent is paid on a weekly basis (or multiple of a week).

### Uprating of income-related social security benefits

5. The main points are:
  - the basic State Retirement Pension is being uprated by 2.5% in line with the government's 'triple lock' commitment
  - the Standard Minimum Guarantee in Pension Credit is being increased by 2.4%. The Savings Credit maximum is increased by 1.00%.
  - premiums paid to pensioner recipients of working age benefits will continue to be uprated to match Pension Credit rates



- premiums paid to disabled people receiving working age benefits and to Employment and Support Allowance claimants in the Support Group, will increase in 2017/18 levels as the Consumer Prices Index (CPI) was 1.0% in September
- working age benefits (main rates), including main elements of Universal Credit and HB personal allowances, will remain at the 2016/17 rates as they are frozen for 4 years.

## **Upating of non-income related social security benefits**

6. The higher and middle rate invalidity allowances and age additions payable with Incapacity Benefit (IB) will be increased from April 2017.

## **Upating of social security benefits: general**

7. The following Regulations allow you to take account of these rates on 1 April or 3 April as appropriate:
  - HB 2006 Regulations 42(8) and 79(3)
  - HB (SPC) 2006 Regulations 41(9), 41(10) and 59(3).

Associated guidance is set out in HB/CTB Guidance Manual at BP2 P2.790.

8. There is no provision in regulations to uprate a claimant's social security benefit other than by using the correct amount. Most claimants will know their rates of benefit well before April each year.
9. We are aware that many local authorities' (LAs') IT systems apply a percentage increase to uprate income from other social security benefits in the assessment of HB. In previous years we have advised that this method should in most cases, produce accurate results, providing the LA has satisfied itself as to the accuracy of its method, it should be able to meet its duty to make proper determinations.
10. However, given the fact that in recent years some of the components paid in addition to the main rates of some benefits and the main rates themselves have been uprated by different indices, LAs should consider carefully whether applying standard percentages will result in correct determinations.
11. LAs should also take into account that specific Automated Transfers to LA Systems (ATLAS) uprating notifications are issued for all benefits on the Customer Information System except for:
  - Attendance Allowance
  - Disability Living Allowance
  - Personal Independence Payment
  - Armed Forces Independence Payment

- Carer's Allowance
- State Retirement Pension
- Incapacity Benefit
- Severe Disability Allowance
- Bereavement Benefits
- Widow's Benefit

12. Should an LA decide to apply a percentage increase to uprate income, as a minimum, any information subsequently received via ATLAS should be compared with existing LA system data to ensure it matches.

### **Tax credits**

13. Any changes to Working Tax Credit and Child Tax Credit (see Appendix E: Annex 1) will be effective from 6 April 2017 in line with the start of the new tax year.

14. ATLAS will notify tax credit information to LAs. All the current and new tax credit rates can be found on [GOV.UK](http://GOV.UK)

### **War Pensions**

15. The new rates for War Pensions are not yet available and details of the new rates will be issued via a separate circular once the Veterans UK release the figures.

### **Specific points of interest**

#### **Non-dependant deductions in HB**

16. The deduction and income bands for 2017-18 are at Appendices A and B.

#### **Rates remaining unchanged**

17. The majority of rates within HB will remain unchanged.

#### **Disregards in HB which remain unchanged**

18. The childcare disregards in HB in line with Working Tax Credit weekly equivalents, remain at:

- £175.00 for one child
- £300.00 for two or more children

19. The additional earnings disregard in HB that can be applied to those entitled to Working Tax Credit remains at £17.10. See [HB Guidance manual BW2](#) paragraphs BW2.132-2.140.

### **Deductions for ineligible fuel charges**

20. The CPI for fuel and lighting in September 2016 was minus 2.0% and the government has decided to set the rates for statutory fuel deductions from HB for 2017/18 at the same levels as 2016/17. The rates for statutory fuel deductions are shown in Appendix A.

### **One room rate deduction**

21. The formula for the one room rate deduction is set out in HB Regulations 2006 at Schedule 1, part 2, paragraph 6(2)(a) to (d) and (3). Sub-paragraph (3) states the ineligible amount for service charges when the accommodation consists of only one room shall be one half of the aggregate of the amounts specified in sub-paragraph (2)(a), (b) and (c), see Appendices A and B.

### **State Pension Credit maximum Savings Credit**

22. The amount of the maximum Savings Credit will be £13.20 for a single person and £14.90 for a couple. These figures cannot be used to calculate a likely Savings Credit entitlement from April 2017. Savings Credit is calculated on an individual basis, using the income and capital of that person. In addition, HB (SPC) regulation 27 states that the Pension Service calculation of income, capital and Savings Credit must be used.

### **National Insurance contribution rates**

23. A full set of rates for 2017-18 can be found on [GOV.UK](#)

### **Universal Credit**

24. Universal Credit is assessed and paid on a monthly basis. Most Universal Credit rates in 2017/18 will remain the same as the 2016/17 rates. The rates can be found in Appendix C, Annex 5.

### **Establishing eligible rent**

25. The calculation of eligible rent for a claimant renting in the social and private sectors is not affected by this circular or by the uprating of benefits overall. It continues to subject to the rules in Part 3 of the HB Regulations 2006 and Part 3 of the HB (SPC) Regulations 2006.

## Appendix A

## Housing Benefit for people of working age

Housing Benefit rates for people who have not reached the qualifying age for State Pension Credit	April 2016 £ Weekly	April 2017 £ Weekly
<b>Personal Allowances</b>		
<b>Single</b>		
16 to 24	57.90	57.90
25 or over	73.10	73.10
Any age - entitled to main phase rate Employment and Support Allowance (ESA)	73.10	73.10
<b>Lone parent</b>		
Under 18	57.90	57.90
18 or over	73.10	73.10
Any age - entitled to main phase rate ESA	73.10	73.10
<b>Couple</b>		
Both under 18	87.50	87.50
One or both over 18	114.85	114.85
Any age - entitled to main phase rate ESA	114.85	114.85
<b>Polygamous Marriages</b>		
If the claimant is a member of a polygamous marriage and no members of the marriage have attained the age of 60		
For the claimant and the other party to the marriage	114.85	114.85
For each additional spouse who is a member of the same household as the claimant	41.75	41.75
<b>Dependent children</b>		
From birth to September following 16 <sup>th</sup> birthday	66.90	66.90
From September following 16 <sup>th</sup> birthday to day before 20 <sup>th</sup> birthday	66.90	66.90
<b>Premiums</b>		
Family Premium	17.45	17.45
Family Premium (lone parent rate)	22.20	22.20
<b>Disability Premium</b>		
Single	32.25	32.55
Couple	45.95	46.40
<b>Enhanced Disability Premium</b>		
Single rate	15.75	15.90
Couple rate	22.60	22.85
Disabled child rate	24.43	24.78
<b>Severe Disability Premium</b>		
Single	61.85	62.45
Couple (one qualifies)	61.85	62.45
Couple (both qualify)	123.70	124.90
<b>Disabled Child Premium</b>		
	60.06	60.90

<b>Housing Benefit rates for people who have not reached the qualifying age for State Pension Credit</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Carer Premium</b>	34.60	34.95
<b>Components ESA income related (IR) and ESA (contribution-based)</b>		
Work-related activity component	29.05	29.05
Support component	36.20	36.55
<b>Deductions</b>		
Non-dependant deductions		
Aged under 25 and on Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)) or ESA(IR) which does not include an amount for the support component or work-related activity component	Nil	Nil
Aged 25 or over and on IS or JSA(IB), or aged 18 or over and not in remunerative work	14.65	14.80
In receipt of main phase ESA(IR)	14.65	14.80
In receipt of Pension Credit	Nil	Nil
Aged over 18 or over and in remunerative work		
- gross income: less than £136.00	14.65	14.80
- gross income: £136.00 to £199.99	33.65	34.00
- gross income: £200.00 to £258.99	46.20	46.65
- gross income: £259.00 to £345.99	75.60	76.35
- gross income: £346.00 to £429.99	86.10	86.95
- gross income: £430.00 and above	94.50	95.45
<b>Fuel deductions</b>		
Heating	28.80	28.80
Hot water	3.35	3.35
Lighting	2.30	2.30
Cooking	3.35	3.35
All fuel	37.80	37.80
<b>Fuel deductions one room</b>		
Heating and hot water and/or lighting	17.23	17.23
Cooking	3.35	3.35
<b>Amounts ineligible for meals</b>		
<b>Three or more meals a day</b>		
Single claimant	26.85	27.10
Each person in family aged 16 or over	26.85	27.10
Each child under 16	13.60	13.75
<b>Less than 3 meals a day</b>		
Single claimant	17.85	18.05
Each person in the family aged 16 or over	17.85	18.05
Each child under 16	9.00	9.10
Breakfast only - claimant and each member of family	3.30	3.35
<b>Disregards</b>		
Childcare charges	175.00	175.00
Childcare charges (2 or more children)	300.00	300.00
Additional earnings	17.10	17.10

<b>Housing Benefit rates for people who have not reached the qualifying age for State Pension Credit</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
Income from sub-tenants	20.00	20.00
Permitted earnings - higher	115.50	120.00
Permitted earnings - lower	20.00	20.00
<b>Recovery of Overpayments</b>		
Non-fraudulent overpayments	11.10	11.10
Fraudulent overpayments	18.50	18.50
<b>Direct Earnings Attachment</b> Amount deducted by employer using legislative rates in the tables		
<b>Capital limits</b>		
Upper limit	16,000	16,000
Lower limit	6,000	6,000

## Appendix B

## Housing Benefit for people of State Pension Credit age

Housing Benefit rates for people who have reached the qualifying age for State Pension Credit	April 2016 £ Weekly	April 2017 £ Weekly
<b>Personal Allowances</b>		
Single claimant aged under 65	155.60	159.35
Single claimant aged 65 or over	168.70	172.55
Lone parent aged under 65	155.60	159.35
Lone parent aged 65 or over	168.70	172.55
<b>Couple</b>		
One or both aged 60 or over but both under 65	237.55	243.25
One member or both members aged 65 or over	252.30	258.15
<b>Polygamous Marriages</b>		
If the claimant is a member of a polygamous marriage and no members of the marriage have attained the age of 65		
For the claimant and the other party to the marriage	237.55	243.25
For each additional spouse who is a member of the same household as the claimant	81.95	83.90
If the claimant is a member of a polygamous marriage and one or more of the members of the marriage are aged 65 or over		
For the claimant and the other party to the marriage	252.30	258.15
For each additional spouse who is a member of the same household as the claimant	83.60	85.60
<b>Dependent children</b>		
From birth to September following 16 <sup>th</sup> birthday	66.90	66.90
From September following 16 <sup>th</sup> birthday to day before 20 <sup>th</sup> birthday	66.90	66.90
<b>Premiums</b>		
Family Premium	17.45	17.45
<b>Severe Disability Premium</b>		
Single	61.85	62.45
Couple (one qualifies)	61.85	62.45
Couple (both qualify)	123.70	124.90
<b>Enhanced Disability Premium</b>		
Disabled child rate	24.43	24.78
<b>Disabled Child Premium</b>	60.06	60.90
<b>Carer Premium</b>	34.60	34.95

<b>Housing Benefit rates for people who have reached the qualifying age for State Pension Credit</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Non-dependant deductions</b>		
Aged under 25 and on IS or JSA(IB) or ESA(IR) which does not include an amount for the support component or work-related activity component	Nil	Nil
Aged 25 or over and on IS or JSA(IB) or aged over 18 or over and not in remunerative work	14.65	14.80
In receipt of main phase ESA(IR)	14.65	14.80
In receipt of State Pension Credit	Nil	Nil
<b>Aged 18 or over and in remunerative work</b>		
- gross income: less than £136.00	14.65	14.80
- gross income: £136.00 to £199.99	33.65	34.00
- gross income: £200.00 to £258.99	46.20	46.65
- gross income: £259.00 to £345.99	75.60	76.35
- gross income: £346.00 to £429.99	86.10	86.95
- gross income: £430.00 and above	94.50	95.45
<b>Fuel deductions</b>		
Heating	28.80	28.80
Hot water	3.35	3.35
Lighting	2.30	2.30
Cooking	3.35	3.35
All fuel	37.80	37.80
<b>Fuel deductions for one room</b>		
Heating, hot water and/or lighting	17.23	17.23
Cooking	3.35	3.35
<b>Amounts ineligible for meals</b>		
<b>Three or more meals a day</b>		
Single claimant	26.85	27.10
Each person in family aged 16 or over	26.85	27.10
Each child under 16	13.60	13.75
<b>Less than 3 meals a day</b>		
Single claimant	17.85	18.05
Each person in family aged 16 or over	17.85	18.05
Each child under 16	9.00	9.10
Breakfast only - claimant and each member of family	3.30	3.35
<b>Disregards</b>		
Childcare charges	175.00	175.00
Childcare charges (2 or more children)	300.00	300.00
Additional earnings disregard	17.10	17.10
Income from subtenants	20.00	20.00
Permitted earnings - higher	115.50	120.00
Permitted earnings - lower	20.00	20.00
<b>Recovery of Overpayments</b>		
Standard Rate (Non-fraud debt)	11.10	11.10
Maximum Rate (Fraud classified debt)	18.50	18.50
<b>Direct Earnings Attachment</b> Amount deducted by employer using legislative rates in the tables		



<b>Housing Benefit rates for people who have reached the qualifying age for State Pension Credit</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Capital limits</b>		
Upper limit – State Pension Credit guarantee credit NOT in payment	16,000	16,000
Upper limit – State Pension Credit guarantee credit in payment	No limit	No limit
Lower limit – above the qualifying age for State Pension Credit	10,000	10,000

Appendix C / Annex 1

Income Support rates	April 2016 £ Weekly	April 2017 £ Weekly
<b>Personal Allowances</b>		
<b>Single</b>		
Under 25	57.90	57.90
Aged 25 or over	73.10	73.10
<b>Lone parent</b>		
Under 18	57.90	57.90
Aged 18 or over	73.10	73.10
<b>Couple</b>		
Both under 18	57.90	57.90
Both under 18 - higher rate (for example, with responsibility for a child)	87.50	87.50
One under 18, one 18 to 24	57.90	57.90
One under 18, one aged 25 or over	73.10	73.10
Both 18 or over	114.85	114.85
<b>Dependent children</b>		
Birth to September following 16 <sup>th</sup> birthday	66.90	66.90
From September following 16 <sup>th</sup> birthday to day before 20 <sup>th</sup> birthday	66.90	66.90
<b>Premiums</b>		
Family Premium	17.45	17.45
Family Premium (lone parent rate)	17.45	17.45
<b>Pensioner Premium (couples only)</b>	122.70	128.40
<b>Disability Premium</b>		
Single	32.25	32.55
Couple	45.95	46.40
<b>Enhanced Disability Premium</b>		
Single	15.75	15.90
Couple	22.60	22.85
Disabled child rate	24.43	24.78
<b>Severe Disability Premium</b>		
Single	61.85	62.45
Couple (one qualifies)	61.85	62.45
Couple (both qualify)	123.70	124.90
<b>Disabled child premium</b>	60.06	60.90
<b>Carer Premium</b>	34.60	34.95
<b>Capital limits</b>		
Upper	16,000	16,000
Lower	6,000	6,000

Appendix C / Annex 2

<b>Jobseeker's Allowance rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Contribution-based Jobseeker's Allowance</b>		
<b>Personal Rates</b>		
Under 25	57.90	57.90
Aged 25 or over	73.10	73.10
<b>Income-based Jobseeker's Allowance</b>		
<b>Personal Allowances</b>		
<b>Single</b>		
Under 25	57.90	57.90
Aged 25 or over	73.10	73.10
<b>Lone parent</b>		
Under 18	57.90	57.90
18 or over	73.10	73.10
<b>Couple</b>		
Both under 18	57.90	57.90
Both under 18 – higher rate (for example with responsibility for a child)	87.50	87.50
One under 18, one 18 to 24	57.90	57.90
One under 18, one aged 25 or over	73.10	73.10
Both 18 or over	114.85	114.85
<b>Dependent children</b>		
Birth to September following 16 <sup>th</sup> birthday	66.90	66.90
From September following 16 <sup>th</sup> birthday to day before 20 <sup>th</sup> birthday	66.90	66.90
<b>Premiums</b>		
Family Premium	17.45	17.45
Family Premium (lone parent rate)	17.45	17.45
<b>Pensioner Premium</b>		
Single	82.50	86.25
Couple	122.70	128.40
<b>Disability Premium</b>		
Single	32.25	32.55
Couple	45.95	46.40
<b>Enhanced Disability Premium</b>		
Single	15.75	15.90
Couple	22.60	22.85
Disabled child rate	24.43	24.78
<b>Severe Disability Premium</b>		
Single	61.85	62.45
Couple (one qualifies)	61.85	62.45

<b>Jobseeker's Allowance rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
Couple (both qualify)	123.70	124.90
<b>Disabled child premium</b>	60.06	60.90
<b>Carer Premium</b>	34.60	34.95
<b>Capital limits</b>		
Upper	16,000	16,000
Lower	6,000	6,000

## Appendix C / Annex 3

<b>Employment and Support Allowance rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Personal Allowances</b>		
<b>Single</b>		
Under 25 and in Assessment Phase	57.90	57.90
Aged 25 or over	73.10	73.10
Any age and in Main Phase	73.10	73.10
<b>Lone parent</b>		
Aged under 18 and in Assessment Phase	57.90	57.90
Aged 18 or over	73.10	73.10
Any age and in Main Phase	73.10	73.10
<b>Couple</b>		
Both under 18 and in Assessment Phase	57.90	57.90
Both under 18 with responsibility for a child and in Assessment Phase	87.50	87.50
Both under 18 and in Main Phase	73.10	73.10
Both under 18 with responsibility for a child and in Main Phase	114.85	114.85
One 18 or over and the other while under 18, also satisfies certain conditions	114.85	114.85
Both 18 or over	114.85	114.85
Claimant under 25 and in Assessment Phase and partner under 18	57.90	57.90
Claimant 25 or over and in Assessment Phase and partner under 18	73.10	73.10
Claimant in Main Phase and partner under 18	73.10	73.10
<b>Premiums</b>		
<b>Carer Premium</b>	34.60	34.95
<b>Enhanced Disability Premium</b>		
Single	15.75	15.90
Couple	22.60	22.85
<b>Pensioner Premium</b>		
Single and in Assessment Phase	82.50	86.25
Single, entitled to work-related activity component	53.45	57.20
Single, entitled to support component	46.30	49.70
Couple, and in Assessment Phase	122.70	128.40
Couple, entitled to work-related activity component	93.65	99.35
Couple, entitled to support component	86.50	91.85
<b>Severe Disability Premium</b>		
Single	61.85	62.45
Couple (one qualifies)	61.85	62.45
Couple (both qualify)	123.70	124.90
<b>Components</b>		
Work-related activity component	29.05	29.05
Support component	36.20	36.55

<b>Employment and Support Allowance rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Capital limits</b>		
Upper	16,000	16,000
Lower	6,000	6,000

Appendix C / Annex 4

<b>State Pension Credit Rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Standard Guarantee Credit</b>		
Single	155.60	159.35
Couple	237.55	243.25
<b>Additional amount for severe disability</b>		
Single	61.85	62.45
Couple (one qualifies)	61.85	62.45
Couple (both qualify)	123.70	124.90
<b>Polygamous marriages</b>		
Amount for claimant and first spouse	237.55	243.25
Amount for additional spouse	81.95	83.90
<b>Additional amount for Carers (Carer Premium)</b>	34.60	34.95
<b>Savings credit</b>		
Threshold – single	133.82	137.35
Threshold – couple	212.97	218.42
Maximum – single	13.07	13.20
Maximum – couple	14.75	14.90

Appendix C / Annex 5

<b>Universal Credit Rates</b>	<b>April 2016 £ Assessment period</b>	<b>April 2017 £ Assessment period</b>
<b>Standard Allowance / Element</b>		
<b>Single</b>		
Under 25	251.77	251.77
25 or over	317.82	317.82
<b>Couple</b>		
Both under 25	395.20	395.20
One or both 25 or over	498.89	498.89
<b>Child element</b>		
First child	277.08	277.08
Second or subsequent child	231.67	231.67
<b>Additional amount for disabled child or qualifying young person</b>		
Lower rate	126.11	126.11
Higher rate	367.92	372.30
<b>Limited capability for work / limited capability for work and work-related activity elements</b>		
Limited capability for work	126.11	126.11
Limited capability for work and work-related activity	315.60	318.76
<b>Non-dependants' housing cost contributions</b>	69.37	70.06
<b>Carer Element</b>	150.39	151.89



## Appendix D

<b>Other contributory and non-contributory social security rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Attendance Allowance</b>		
Higher rate	82.30	83.10
Lower rate	55.10	55.65
<b>Bereavement Benefits</b>		
Bereavement Payment (lump sum)	2,000	2,000
Widowed Parent's Allowance	112.55	113.70
<b>Bereavement Allowance</b>		
Standard Rate	112.55	113.70
<b>Age-related rate</b>		
Age 54	104.67	105.74
Age 53	96.79	97.78
Age 52	88.91	89.92
Age 51	81.04	81.86
Age 50	73.16	73.91
Age 49	65.28	65.95
Age 48	57.40	57.99
Age 47	49.52	50.03
Age 46	41.64	42.07
Age 45	33.77	34.11
<b>Carer's Allowance</b>		
Standard rate	62.10	62.70
Dependency increase	36.55	36.90
<b>Disability Living Allowance</b>		
<b>Care component</b>		
Higher rate	82.30	83.10
Middle rate	55.10	55.65
Lower rate	21.80	22.00
<b>Mobility component</b>		
Higher rate	57.45	58.00
Lower rate	21.80	22.00
<b>Incapacity Benefit</b>		
<b>Long term Incapacity Benefit</b>		
Single	105.35	106.40
Spouse or adult dependant (where appropriate)	61.20	61.80
<b>Short term Incapacity Benefit (under pension age)</b>		
Lower rate	79.45	80.25
Higher rate	94.05	95.00
Spouse or adult dependant (where appropriate)	47.65	48.15

<b>Other contributory and non-contributory social security rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>Short-term Incapacity Benefit (over pension age)</b>		
Lower rate	101.10	102.10
Higher rate	105.35	106.40
Spouse or adult dependant (where appropriate)	58.90	59.50
<b>Increase of long-term Incapacity Benefit for age</b>		
Higher rate	11.15	11.25
Lower rate	6.20	6.25
<b>Invalidity Allowance (transitional) for Incapacity Benefit recipients</b>		
Higher rate	11.15	11.25
Middle rate	6.20	6.25
Lower rate	6.20	6.25
<b>Industrial Death Benefit</b>		
<b>Widow's Pension</b>		
Higher rate	119.30	122.30
Lower rate	35.79	36.69
<b>Widower's pension</b>	119.30	122.30
<b>Industrial Injuries Disablement Benefit</b>		
Disablement Benefit (100% assessment)	168.00	169.70
Unemployability supplement	103.85	104.90
Reduced earnings allowance (maximum)	67.20	67.88
<b>Maternity Allowance</b>		
Standard Rate	139.58	140.98
Threshold	30.00	30.00
<b>Personal Independence Payment</b>		
<b>Daily Living Component</b>		
Standard Rate	55.10	55.65
Enhanced Rate	82.30	83.10
<b>Mobility component</b>		
Standard rate	21.80	22.00
Enhanced rate	57.45	58.00
<b>Severe Disablement Allowance</b>		
Basic rate	74.65	75.40
Spouse or other adult dependant (where appropriate)	36.75	37.10
Age-related additions		
Higher rate	11.15	11.25
Middle rate	6.20	6.25
Lower rate	6.20	6.25

<b>Other contributory and non-contributory social security rates</b>	<b>April 2016 £ Weekly</b>	<b>April 2017 £ Weekly</b>
<b>State Retirement Pension</b>		
Category A or B (Single Person)	119.30	122.30
Category B (lower) - spouse or civil partner's insurance	71.50	73.30
Category C (higher) or Category D non-contributory	71.50	73.30
Additional State Pension - rate may vary	0.00%	1.00%
Increments to:		
Basic State Pension	0.00%	1.00%
Additional State Pension	0.00%	1.00%
Graduated Retirement Benefit	0.00%	1.00%
Inheritable lump sum	0.00%	1.00%
Addition at age 80	0.25	0.25
Adult dependency increase for spouse or person looking after children	65.70	66.35
Increase in respect of long-term incapacity for age:	0.00%	1.00%
Higher rate	21.50	21.70
Lower rate	10.80	10.90
Invalidity Allowance (transitional)		
Higher rate	21.50	21.70
Middle rate	13.90	14.00
Lower rate	6.95	7.00
<b>New State Pension</b>	155.65	159.55
<b>Statutory Adoption Pay</b>		
Earnings threshold	112.00	113.00
Standard rate	139.58	140.98
<b>Statutory Maternity Pay</b>		
Earnings threshold	112.00	113.00
Standard rate	139.58	140.98
<b>Statutory Paternity Pay</b>		
Earnings threshold	112.00	113.00
Standard rate	139.58	140.98
<b>Statutory Shared Parental Pay</b>		
Earnings threshold	112.00	113.00
Standard rate	139.58	140.98
<b>Statutory Sick Pay</b>		
Earnings threshold	112.00	113.00
Standard rate	88.45	89.35

Appendix E

**Non-social security payments and rates**

Working Tax Credit, Child Tax Credit, Child Benefit and Guardian's Allowance rates

<b>£ per year (unless stated)</b>	<b>2016-2017</b>	<b>Change</b>	<b>2017-2018</b>
<b>Working Tax Credit</b>			
Basic element	1,960	0	1,960
Couple and lone parent element	2,010	0	2,010
Thirty Hour element	810	0	810
Disabled worker element	2,970	30	3,000
Severe disability element	1,275	17	1,290
<b>Childcare element of Working Tax Credit</b>			
Maximum eligible cost of one child (per week)	175	0	175
Maximum eligible cost for two or more children (per week)	300	0	300
Percentage of eligible costs covered	70%	-	70%
<b>Child Tax Credit</b>			
Family element	545	0	545
Child element	2,780	0	2,780
Disabled child element	3,140	35	3,175
Severely disabled child element	1,275	15	1,290
<b>Income thresholds and withdrawal rates</b>			
Income threshold	6,420	0	6,420
Withdrawal rate (per cent %)	41%	0	41%
Threshold for those entitled to Child Tax Credit only	16,105	0	16,105
Income rise disregard	2,500	0	2,500
Income fall disregard	2,500	0	2,500
<b>Child Benefit (weekly)</b>			
Eldest /only child	20.70	0	20.70
Other children	13.70	0	13.70
<b>Guardian's Allowance (weekly)</b>			
	16.55	0.15	16.70

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STATUTORY INSTRUMENTS

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**2016 No. 1262**

**COUNCIL TAX, ENGLAND**

**The Council Tax Reduction Schemes (Prescribed Requirements)  
(England) (Amendment) Regulations 2016**

<i>Made</i>	- - - -	<i>21st December 2016</i>
<i>Laid before Parliament</i>		<i>22nd December 2016</i>
<i>Coming into force</i>	- -	<i>15th January 2017</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 113(1) and (2) of, and paragraph 2 of Schedule 1A to, the Local Government Finance Act 1992(a):

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016 and come into force on 15th January 2017.

(2) These Regulations apply in relation to council tax reduction schemes(b) made by billing authorities(c) for financial years beginning on or after 1st April 2017.

**Amendment of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012**

2.—(1) The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012(d) are amended as follows.

(2) In regulation 2(1) (interpretation) after the definition of “savings credit” insert—

““Scottish basic rate” means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007(e);

“Scottish taxpayer” has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998(f);”.

(3) In Schedule 1 (pensioners: matters that must be included in an authority’s scheme)—

(a) in paragraph 5 (periods of absence from a dwelling)—

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(a) 1992 c.14. Section 113(1) and (2) were amended by paragraphs 2 and 9(a) of Schedule 1 to the Local Government Act 1999 (c.27); paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c.26); section 80 of the Localism Act 2011 (c.20), and S.I. 2013/2597. Schedule 1A was inserted by Schedule 4 to the Local Government Finance Act 2012 (c.17).  
 (b) See section 13A(9) of the Local Government Finance Act 1992 for the definition of “council tax reduction scheme”. Section 13A was amended by section 10 of the Local Government Finance Act 2012.  
 (c) See section 1(2) of the Local Government Finance Act 1992 for the definition of “billing authority”.  
 (d) S.I. 2012/2885; relevant amending instruments are S.I. 2012/3085, 2013/3181, 2014/107, 2014/448, 2014/3312, 2015/2041.  
 (e) 2007 c. 3. Section 6A was inserted by the Finance Act 2014 (c. 26), section 296 and Schedule 38. It has been repealed by the Scotland Act 2016 (c. 11), section 14 from a date to be appointed.  
 (f) 1998 c. 46. Part 4A was inserted by the Scotland Act 2012 (c. 11) section 25.

- (i) in sub-paragraph (2)(a) after “residential accommodation” insert “in Great Britain”;
- (ii) in sub-paragraph (2)(b) for “a period of absence” substitute “subject to sub-paragraph (2B), a period of absence within Great Britain”;
- (iii) at the end of sub-paragraph (2)(b) omit “and”;
- (iv) in sub-paragraph (2)(c) for “a period of absence” substitute “subject to sub-paragraph (2D), a period of absence within Great Britain”;
- (v) at the end of sub-paragraph (2)(c) for the full stop substitute “; and”;
- (vi) after sub-paragraph (2)(c) insert—

“(d) subject to sub-paragraphs (2F), (3C), (3E) and (3G) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as—

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resides is not let or sub-let; and
- (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.”;

- (vii) after sub-paragraph (2) insert—

“(2A) The period of 13 weeks referred to in sub-paragraph (2)(b) shall run or continue to run during any period of absence from Great Britain.

(2B) Where—

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and
- (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

then any day that follows period A and precedes the person’s return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).

(2C) The period of 52 weeks referred to in sub-paragraph (2)(c) shall run or continue to run during any period of absence from Great Britain.

(2D) Where —

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and
- (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

then, any day that follows period A and precedes the person’s return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(c).

(2E) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(2F) If the temporary absence referred to in sub-paragraph (2)(d) is in connection with the death of—

- (a) the person’s partner or a child or young person for whom the person or the person’s partner is responsible;

- (b) the person's close relative;
- (c) the close relative of the person's partner; or
- (d) the close relative of a child or young person for whom the person or the person's partner is responsible,

then the period of 4 weeks in the opening words of sub-paragraph (2)(d) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in sub-paragraph (iii) of that paragraph to a period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).";

(viii) in sub-paragraph (3)—

(aa) for paragraph (a) substitute—

“(a) is a person to whom sub-paragraph (3A) applies;”

(bb) in paragraph (c) omit “, in the United Kingdom or elsewhere;”;

(cc) in paragraph (d) omit “, in the United Kingdom or elsewhere;”;

(dd) in paragraph (e) omit “residing in the United Kingdom or elsewhere”;

(ee) in paragraph (g) omit “, in the United Kingdom or elsewhere;”;

(ix) after sub-paragraph (3) insert—

“(3A) This sub-paragraph applies to a person (“P”) who is—

(a) detained in custody on remand pending trial;

(b) detained pending sentence upon conviction; or

(c) as a condition of bail required to reside—

(i) in a dwelling, other than a dwelling P occupies as P's home; or

(ii) in premises approved under section 13 of the Offender Management Act 2007(a),

and who is not also detained in custody following sentence upon conviction.

(3B) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a member of Her Majesty's forces posted overseas, a mariner or a continental shelf worker;

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3C) Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

(a) the person intends to return to the dwelling;

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

(3D) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of sub-paragraph (3);

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

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(a) 2007 c. 21.

(3E) Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

- (a) the person intends to return to the dwelling;
- (b) the part of the dwelling in which he usually resided is not let or sub-let;
- (c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

(3F) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of sub-paragraph (3);
- (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3G) Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

- (a) the person intends to return to the dwelling;
- (b) the part of the dwelling in which he usually resided is not let or sub-let;
- (c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.”;

(x) in sub-paragraph (6)—

(aa) before the definition of “medically approved” insert—

““continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998(a);

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964(b) as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
- (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;”;

(bb) after the definition of “medically approved” insert—

““member of Her Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006(c)), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty’s regular forces or reserve forces;”;

(cc) after the definition of “patient” insert—

““prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed

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(a) 1998 c. 17.  
(b) 1964 c. 29.  
(c) 2006 c. 52.



and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;”;

- (b) in paragraph 8 (non-dependant deductions)—
    - (i) in sub-paragraph (1)(a) for “£11.45” substitute “£11.55”;
    - (ii) in sub-paragraph (1)(b) for “£3.77” substitute “£3.80”;
    - (iii) in sub-paragraph (2)(a) for “£195.00” substitute “£196.95”;
    - (iv) in sub-paragraph (2)(b) for “£195.00”, “£338.00” and “£7.58” substitute “£196.95”, “£341.40” and “£7.65” respectively;
    - (v) in sub-paragraph (2)(c) for “£338.00”, “£420.00” and “£9.56” substitute “£341.40”, “£424.20” and “£9.65” respectively;
  - (c) in paragraph 19(5)(a) (calculation of net earnings of employed earners)—
    - (i) after “basic rate” in the first place it appears insert “, or in the case of a Scottish taxpayer, the Scottish basic rate,”;
    - (ii) for “personal relief to which the applicant is entitled under section 35, 36 or 37 of the Income Tax Act 2007 as is” substitute “personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are”;
    - (iii) after “basic rate” in the second place it appears insert “, or the Scottish basic rate,”;
    - (iv) for “relief” in the second place it appears substitute “reliefs”;
  - (d) in paragraph 28 (disregard of changes in tax, contributions etc.)—
    - (i) after sub-paragraph (a) insert—
      - “(aa) in the Scottish basic or other rates of income tax;”;
    - (ii) in sub-paragraph (b) for “relief” substitute “reliefs under Chapters 2, 3, and 3A of Part 3 of the Income Tax Act 2007”;
  - (e) in paragraph 30 (calculation of deduction of tax and contributions of self-employed earners)—
    - (i) in sub-paragraph (1)(b)—
      - (aa) after “basic rate” insert “, or in the case of a Scottish taxpayer, the Scottish basic rate,”;
      - (bb) for “personal relief to which the applicant is entitled under section 35, 36 or 37 of the Income Tax Act 2007 (personal allowances) as is” substitute “personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are”;
    - (ii) in sub-paragraph (2) after “basic rate” insert “, or the Scottish basic rate”.
- (4) In Schedule 2 (applicable amounts)—
- (a) in column (2) of the Table in paragraph 1 (personal allowance)—
    - (i) in sub-paragraph (1)(a) for “£155.60” substitute “£159.35”;
    - (ii) in sub-paragraph (1)(b) for “£168.70” substitute “£172.55”;
    - (iii) in sub-paragraph (2)(a) for “£237.55” substitute “£243.25”;
    - (iv) in sub-paragraph (2)(b) for “£252.30” substitute “£258.15”;
    - (v) in sub-paragraph (3)(a) for “£237.55” substitute “£243.25”;
    - (vi) in sub-paragraph (3)(b) for “£81.95” substitute “£83.90”;
    - (vii) in sub-paragraph (4)(a) for “£252.30” substitute “£258.15”;
    - (viii) in sub-paragraph (4)(b) for “£83.60” substitute “£85.60”;
  - (b) in the second column of the Table in Part 4 (amounts of premium specified in Part 3)—
    - (i) in paragraph (1)(a) and (b)(i) for “£61.85” substitute “£62.45”;

- (ii) in paragraph (1)(b)(ii) for “£123.70” substitute “£124.90”;
- (iii) in paragraph (2) for “£24.43” substitute “£24.78”;
- (iv) in paragraph (3) for “£60.06” substitute “£60.90”;
- (v) in paragraph (4) for “£34.60” substitute “£34.95”.

(5) In column (1) of the Table in paragraph 1 of Schedule 3 (amount of alternative maximum council tax reduction)—

- (a) in paragraph (b)(i) for “£193.00” substitute “£194.95”;
- (b) in paragraph (b)(ii) for “£193.00” and “£250.00” substitute “£194.95” and “£252.50” respectively.

### **Transitional provision**

3.—(1) Subject to paragraph (2), the amendments made by regulation 2(3)(a), shall not apply in respect of a person who is temporarily absent from Great Britain on 1st April 2017 until the day that person returns to Great Britain.

(2) Paragraph (1) does not apply to a person who, on 1st April 2017, is temporarily absent from Great Britain and is—

- (a) a member of Her Majesty’s forces posted overseas;
- (b) absent in the capacity of a continental shelf worker; or
- (c) absent in the capacity of a mariner.

(3) In this regulation—

“continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
- (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;

“member of Her Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the dwelling that the person normally occupies as his home because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty’s regular forces or reserve forces; and

“prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

Signed by authority of the Secretary of State for Communities and Local Government

21st December 2016

*Bourne of Aberystwyth*  
Parliamentary Under Secretary of State  
Department for Communities and Local Government

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”). The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”) prescribe matters which must be included in such a scheme in addition to matters set out in paragraph 2 of Schedule 1A to the 1992 Act. These Regulations amend the 2012 Regulations in consequence of changes to certain social security legislation.

The amendments made by virtue of regulation 2(2), (3)(c) and (d) mean that references to ‘Scottish taxpayer’ and ‘Scottish basic rate’ of income tax are to be taken into account when calculating the net earnings of employed earners and self-employed taxpayers, and certain disregards, for the purposes of determining eligibility for a discount. The provisions also update references to “personal allowance” and “personal reliefs”, in each of the provisions in question, so as to refer to the relevant provisions of the Income Tax Act 2007 (c. 3).

The amendments made by regulation 2(3)(a) reflect similar changes to the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (S.I. 2006/214) as amended by S.I. 2016/624. The amendments provide that allowable temporary absences from Great Britain are, in most cases, reduced from 13 weeks to 4 weeks. This is subject to certain exceptions.

The amendments made by regulation 2(3)(b), (4) and (5) uprate certain of the figures which are used in calculating whether a person is entitled to a council tax reduction and the amount of that reduction. The uprated figures relate to non-dependant deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant); the applicable amount in relation to an applicant for a reduction (the amount against which an applicant’s income is compared in order to determine the amount of reduction to which he or she is entitled) and the income bands in relation to which the amount of a person’s alternative maximum council tax reduction is calculated.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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