

Northampton Borough Council's Council Tax Reduction Scheme

Northampton Borough Council's current Council Tax Reduction Scheme (CTRS) provides for a means-tested reduction. This reduction takes the form of a discount and reduces the amount of Council Tax the person remains liable to pay.

This document provides an explanation of how the means-testing process incorporates specific protection for working age customers who may be considered vulnerable.

Applicable Amounts:

The means-testing process for our CTRS begins with an applicable amount, which specifies the amount of income that someone needs to have before their discount decreases – prior to the application of any reduction. An applicable amount is made up of a personal allowance with additional premiums and is individual to the applicant and their family. Applicable amounts are more generous for disabled people, carers and couples or lone parents with children, in order to recognise the additional costs incurred with raising children, managing a disability or health problem.

Dependants' Allowance

A customer's applicable amount is increased by a dependant's allowance for each dependent child. This ensures that the applicable amount reflects the additional costs of raising children.

Family Premium

This is awarded in the applicable amount if the applicant or their partner has at least one dependent child or young person.

Disability Premium

This premium is awarded in the applicable amount if the applicant or their partner is in receipt of either:

- Attendance Allowance
- Disability Living Allowance
- Personal Independence Payment
- The disability element or the severe disability element of working tax credit,
- Incapacity Benefit

Severe Disability Premium

This is awarded in the applicable amount if the applicant or their partner has no non-dependents aged 18 or over and no-one receives Carer's Allowance for looking after them. Either the applicant and/or the partner also have to be in receipt of either:

- Attendance Allowance
- Disability Living Allowance - care component at the middle or higher rate
- Personal Independence Payment – daily living component

Enhanced Disability Premium

This premium is awarded in the applicable amount if the applicant, partner or dependent child is receiving:

- Disability Living Allowance - care component at the highest rate
- Personal Independence Payments – daily living component at the enhanced rate.

Disabled Child Premium

This premium is awarded in the applicable amount for each dependent child receiving:

- Disability Living Allowance
- Personal Independence Payments
- Or is registered blind.
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Carer premium

This premium is awarded in the applicable amount where the applicant or his partner is entitled to Carer's Allowance.

Council Tax Reduction Scheme – Weekly Applicable Amount Rates

These are based on the 2017/18 figures, although the Department of Work and Pensions may increase these figures in-line with the Housing Benefit annual up-rating due by the end of January 2018. We also expect the applicable amounts for pensioners to be increased by the Department of Communities and Local Government.

Applicable Amount Rates (Working Age)	April 2017 Rates
Personal Allowances	
Single	
16 to 24	£57.90
25 or over	£73.10
Any age – entitled to main phase Employment & Support Allowance	£73.10
Lone Parent	
Under 18	£57.90
18 or over	£73.10
Any age – entitled to main phase Employment & Support Allowance	£73.10
Couple	
Both under 18	£87.50
One or both over 18	£114.85
Any age – entitled to main phase Employment & Support Allowance	£114.85
Dependent Children (for each child)	£66.90
Premiums	
Family Premium	£17.45
Disability Premium	
Single	£32.55
Couple	£46.40
Severe Disability Premium	
Single Rate	£62.45
Couple Rate – One member qualifies	£62.45
Couple Rate – Both members qualify	£124.90
Enhanced Disability Premium	
Single Rate	£15.90
Disabled Child Rate	£24.78
Couple Rate	£22.85
Disabled Child Premium	£60.90
Carer Premium	£34.95

Treatment of Income:

Increased Earnings Disregards

Net income from part-time or full-time work is taken into account when CTRS discount is calculated. However, a small amount of earned income is then disregarded, which helps incentivise people to move into work.

A higher earnings disregard applies for those who qualify for the disability premium or severe disability premium (or either component of the Employment and Support Allowance) in the CTRS. This means that less of the disabled customer's net earnings are taken into account when calculating the amount of discount they receive. This is also the case for lone parents and carers.

Earnings Disregards	April 2017 Weekly Rates
Single person	£5.00
Couple	£10.00
Disability or Severe Disability Premium	£20.00
Carer Premium	£20.00
Lone parent	£25.00

A further £17.10 a week is also disregarded for:

- Lone parents working 16 hours or more a week; or
- Couples where either/or member are working 24 hours a week, with at least one member working at least 16 hours a week
- Their applicable amount includes a disability premium and they work 16 hours or more a week.

Disregard of Disability Benefits

The following income is ignored in the means-test of the CTRS:

- Disability Living Allowance
- Personal Independence Payments
- Attendance Allowance
- Severe Disablement Allowance
- War Disablement Pension
- War Widows Payment

Non-Dependant Deductions:

For certain disabled customers non-dependant deductions are not applied to the means test of their discount, regardless of the number of non-dependants that they may be living with them. This applies if the applicant or their partner is registered blind or if either of them are receiving:

- Attendance Allowance; or
- Disability Living Allowance – care component; or
- Personal Independence Payments – daily living component

Non-Dependent Deductions	April 2017 Weekly Rates
In receipt of state Pension Credit or in receipt of IS, JSA(IB), or ESA(IR)	Nil
Aged 18 or over and in remunerative work	
-gross income greater than £406.00	£11.80
-gross income not less than £328.00 but less than £407.99	£9.65
-gross income not less than £189.00 but less than £327.99	£7.65
-gross income less than £189.00	£3.80
Others aged 18 or over	£3.80

Childcare:

The cost of eligible childcare (for a child up to the age of 15, or 16 (if they are disabled) can be disregarded up to £175 a week for one child or £300 a week for two or more children. This is providing that the applicant and/or their partner are:

- A lone parent working 16 hours or more a week ; or
- A couple where both of them are working 16 hours or more a week; or
- A couple where one of them is working 16 hours or more and the other is incapacitated

This provision is also aimed at incentivising people to move into work.