

## Isle of Wight Council

**How the authority's policy for Council Tax Support addresses the issues of;**

- **Child poverty**
- **The chronically sick and disabled**
- **The Armed Forces Covenant; and**
- **Work Incentives**

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## **Child Poverty**

## **1.0 Child Poverty**

1.1 The Child Poverty Act 2010 requires the Secretary of State to meet four targets to eradicate child poverty by 2020. It requires a strategy every three years (the first being in Spring 2011) to meet these targets and report annually on progress. The Act conveys the following duties on local authorities and their partners:

- Co-operate to tackle child poverty in their area
- Prepare and publish a local child poverty needs assessment
- Prepare a joint local child poverty strategy
- Take child poverty into account when preparing or revising their Sustainable Communities Strategy

1.2 The Government published its first Child Poverty strategy in April 2011 (*A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives*)'. At the heart of this strategy is strengthening families, encouraging responsibility, promoting work, guaranteeing fairness and providing support to the most vulnerable.

1.3 Under the Act and from 2011 each local strategic partnership is required to have a Child Poverty Strategy to meet these targets and report on annual progress.

1.4 The definition used within this policy (which will be subject to change as Central Government) is as follows;

- Households with children in which income is less than 60% of the national median;

1.5 The authority is mindful of the proportion of dependant children within its area who live in households whose equivalised income is below 60% of the national median.

### **How the Council's policy addresses the issues of child poverty**

1.6 The Council in creating its summary of the draft scheme has looked to maintain the key elements of the previous Council Tax Benefit regime and as such provides the following;

- a. Where the claimant or partner is in receipt of Income Support, Income Based Job Seekers Allowance or Income Related Employment and Support Allowance (passported benefits) – Council Tax Support will be paid at the maximum determined by the authority;
- b. Where the claimant or partner is not in receipt of the benefits specified in (a) above but is on a low income, their income will be compared with the specified applicable amounts (living allowances). The applicable amounts (living allowances) will continue to contain the following elements;
  - i. Dependants Additions – an allowance for each child is used within the calculation;

- ii. Disabled Child Premiums – where a child is deemed to be disabled under the policy an additional premium is granted for each child within the calculation;
    - iii. Enhanced Disability Premium (where the child is entitled to Disability Living Allowance Care Component at the highest rate); and
    - iv. Family premium – where any claimant has at least one child, a family premium is awarded.
  - c. Where the claimant or partner is not entitled to ‘passport benefits’ and the income of the family is calculated in assessing entitlement to support, the following incomes are disregarded;
    - i. Child Benefit;
    - ii. Child maintenance; and
    - iii. Other income payable to children
- 1.7 In all cases including those families in receipt of ‘passport benefits’, the approach taken provides support where income is low. Where the families are not in receipt of passport benefits, families with children will in the main, receive relatively more support than those claimants with no children
- 1.8 All claimants are encouraged to undertake work and where they are able to achieve this, the policy allows for disregards to be made against earnings which will allow for child care charges to be disregarded (to the maximum specified within the summary of the draft scheme)

**Chronically Sick and Disabled**

## **2.0 Chronically Sick and Disabled**

2.1 The definition of chronically sick and disabled is set out in the following legislation:

- Disabled Persons (Services, Consultations and Representation) Act 1986
- Chronically Sick and Disabled Persons Act 1970
- Equality Act 2010

### **How the Council's summary of the draft scheme addresses the issues of disability**

2.2 As with child poverty, the Council has sought to maintain the key elements of the previous Council Tax Benefit scheme and as such provides protection in the overall calculation of the support. For claimants who receive a 'passported' benefit they will receive the maximum support offered by the Council.

2.3 Where a claimant or their partner (if any) is not in receipt of a 'passported benefit', their calculation of benefit will include all of the premiums that existed under council tax benefit including the following;

- a. Disability premium - awarded when a claimant or partner (if any) is disabled;
- b. Severe Disability Premium - awarded when both claimant or partner (if any) are both severely disabled in accordance with the scheme;
- c. Enhanced Disability Premium - Where either the claimant or partner (if any) are in receipt of Disability Living Allowance Care Component at the Highest Rate or where the claimant received the support component;
- d. Work related activity component - where a similar component is awarded within a claimant or partner's Employment and Support Allowance; and
- e. Support component - where a similar component is awarded within a claimant or partner's Employment and Support Allowance.

2.4 In calculating the income of a claim for support where a claimant or their partner (if any) is not in receipt of a 'passported benefit', incomes related to disability such as Disability Living Allowance or Personal Independence Payments (from April 2013) will be disregarded in full.

2.5 In all situations, where a claimant or their partner (if any) is classified as disabled under the scheme, then no non-dependant deductions will be made where a claimant or partner is blind or where they are in receipt of the care component of the Disability Living Allowance

2.6 The council's summary of the draft scheme also proposes to protect the disabled vulnerable from the reduction to 80% of the council tax liability. Those in receipt of any of the following disability related incomes will therefore be protected;

- a. Disability Living Allowance Care (High, Middle & Lower rate)
- b. Disability Living Allowance Mobility component
- c. Personal Independence Payments (from April 2013)
- d. Attendance Allowance
- e. Employment Support Allowance (Support Component)

- f. Incapacity Benefit (Long Term Rate)
- g. Severe Disability Allowance



## **The Armed Forces Covenant**

### **3.0 The Armed Forces Covenant**

- 3.1 The Armed Forces covenant, published in May 2011, exists to redress the disadvantages that the Armed Forces community faces in comparison to other citizens, and to recognise sacrifices made. In some cases this will require special consideration, especially for those who have given the most such as those who are injured, disabled and bereaved as a result of service.
- 3.2 The covenant sets out an obligation the whole nation and State has towards those who have served their country in this way.

#### **How the authority's summary of the draft scheme meets the Armed Forces Covenant**

- 3.3 The authority has proposed to maintain the existing disregard of 100% of all monies received in respect of war widows and war disablement pensions. This continues to be in excess of the existing central government requirement for a standard disregard of £10 per week and will assist all claimants and families who receive such payments. It maintains the current protection

## **Work Incentives**

#### **4.0 Work Incentives**

- 4.1 A key part of any welfare benefit scheme is to incentivise claimants to return to work or to increase the number of hours they work, wherever possible. The Council Tax Benefit scheme, which is in place until 31 March 2013, does this in a number of ways and these have been replicated within the authority's council tax support scheme, which is effective from 1 April 2013.
- 4.2 The authority is keen to encourage all households of working age to enter and remain in work and is aware that the transition between out of work benefits and receiving earnings is a particularly difficult time.
- 4.3 The work incentives built into the council tax support scheme are as follows;
- a. Before taking earnings into account, only the net earnings are used in the calculation and depending on circumstances disregards of £5, £10, £20 and £25 are made from the net amount. The level of disregard will depend on the claimant circumstances and these are defined within schedule 3 of the authority's policy;
  - b. Where the claimant or their partner is able to undertake work for a longer period of time, then an additional earnings disregard may be applied;
  - c. Where the claimant has to incur childcare charges in order to allow them to go to work, the authority will disregard from any earnings up to the limit specified within the summary of the draft scheme. It should be noted that this only applies where the full criteria are met as specified within the summary of the draft scheme;
  - d. Extended payments of support are also available where certain conditions are met and where the claimant has been continuously in receipt of certain unemployed benefits for a period of 26 weeks or more. These are outlined within draft summary of the scheme.
- 4.4 The authority is keen to encourage claimants back to work where this is possible and feels strongly that the draft summary of the scheme supports this.