

FENLAND DISTRICT COUNCIL

PRESS RELEASE

September 30, 2019

Council Tax proposals aim to provide clarity to Universal Credit claimants

Members of the public are being invited to share their views on plans to change how Fenland District Council calculates council tax for people claiming Universal Credit. Universal Credit is a single monthly payment which was rolled out in Fenland in 2018, replacing and combining a number of previously available benefits.

Fenland District Council's current scheme means working-age people who access support because of a low income can claim up to 91.5% off their council tax, depending on their individual circumstances. However, as people claiming Universal Credit have an income that can rise and fall each month based on their latest earnings from employment, under the existing scheme the amount of council tax people are expected to pay can also regularly rise and fall.

To provide people with more certainty over their bills, the district council is proposing that people claiming Universal Credit will not see a change in their council tax unless their weekly income changes by more than £15, or £65 in a month. The proposed change would not apply to people who have reached state pension age or are not on Universal Credit as other provisions achieve similar outcomes.

The new approach would mean that small changes in income would not trigger a re-assessment of council tax support, so Universal Credit claimants know how much their council tax will be and can more easily manage their finances.

While the change is expected to help the vast majority of claimants, the proposals also make provision for people who may be disadvantaged by a single change in the year, by giving the council the flexibility to not apply the new £15 tolerance rule on a case-by-case basis. For example, if a Universal Credit claimant's income falls by less than £15 a week, their council tax support will remain the same despite their reduction in earnings. In such cases, the person's council tax support could be reassessed at the end of the year, based on their actual level of income.

For Universal Credit customers, Fenland intends to change when it assesses entitlement to Council Tax Support from DWP notification that a UC claim has been made to when DWP notifies the actual award. The effect of this is to avoid correcting awards, whilst ensuring they are correct first time, which is seen as beneficial for customers and does not have any financial impact.

Councillor Chris Boden, Leader of the Council, said: "This is about providing greater certainty to people claiming Universal Credit so they know week in and week out what their Council Tax bill will be. This will help people to manage their finances better and is one of the ways we are seeking to support potentially vulnerable local people and help them avoid falling into debt.

I'd encourage people to complete the survey to have their say and let us know what they think of the proposals."

A consultation on the proposals is open 30 September to 10 November 2019 and is accessible at www.fenland.gov.uk/consultations or in hard copy at one of our Customer Service Centres or

Community Hubs. Results from the consultation will be taken into account before the final proposal is put forward for consideration by councillors in early 2020. If agreed, the change would come into effect from April next year.

ENDS

For more information contact Fenland District Council press office on 01354 622226