Council Tax Reduction Scheme – Universal Credit

Scenario

Mr X receives Universal Credit and has a change in his circumstances each month due to fluctuations in his earnings changing by £5.00

This is a small change and each month this happens we have to recalculate his award of CTS.

'Do nothing' option

Mr X will receive a new Council Tax bill and a new Award Letter every time we make an adjustment if we do not introduce any options.

Option 1 – applying a fixed income period

By using fixed income periods, we intend to make changes every 6 months to Mr X's claim. This means Mr X will only get a revised Council Tax bill every 6 months and his Council Tax instalments will remain static. If there are significant changes in Mr X's household (such as new/change of employment, change in make up of household), we can intervene within the 6 month period and alter his Council Tax reduction to take into account these changes.

Option 2 – apply a tolerance to avoid multiple changes

If we applied a tolerance for changes of £15 per week income, this would mean that the Mr X's circumstances would only be taken into consideration if the change in his circumstances would mean a change of entitlement of greater than/less than the set amount. Some customers may gain out of this but the lower income customers whose change in their support would have increased their award and therefore reduced their monthly payments may lose.

Option 3 – not applying any changes received from DWP

No changes would be actioned through notifications from the DWP.   We would solely rely on the customer notifying us of any change in their circumstances. This may reduce the number of changes we make to CTR cases, but if the customer believes we will be informed by the DWP or forgets to advise us of a change, the amount of CTR we are awarding could be/would be incorrect. This would be likely to increase overpayments, which would start recovery and cause the customer unnecessary hardship. It is not fair to the customer to put them into hardship when we have access to this information, but have chosen not to use it under this Option.