



## **CHICHESTER DISTRICT COUNCIL**

### **Local Council Tax Reduction Scheme**

**April 2018 to March 2019**

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## Introduction

In April 2013 the national council tax benefit (CTB) scheme which helped people on low incomes pay their council tax was abolished. The Local Government Finance Act 2012 gave councils the freedom to develop their own council tax reduction (CTR) scheme for people of working age giving due consideration to the needs of their residents. This document provides an overview of the scheme developed by Chichester District Council (the Council), known as the Council Tax Reduction Scheme (CTR scheme). For each financial year the Council must consider whether to carry forward its scheme or to replace it with another scheme.

As has been the case in previous years local CTR schemes will apply only to working age people and the Government will continue to specify how pensioner claims are to be assessed. Pensioner claims will continue to be calculated in accordance with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended), referred to in these rules as the Prescribed Requirements Regulations.

It is proposed for the sixth year of our local CTR scheme (2018/19) that a banded scheme be introduced for those applicants in receipt of Universal Credit (UC). UC is a monthly payment to help with living costs paid to people on a low income or out of work. UC replaces child tax credit, housing benefit, income support, income based job seekers allowance (JSA), income related Employment and Support Allowance (ESA) and working tax credit. UC was introduced in pilot areas across the country in April 2013. Since this time UC has gradually been introduced across the country. This has now progressed to the stage where the Department for Work and Pensions have started to implement a programme of full service, this schedule aims to transfer all Working Age claims across to this new benefit by September 2018. Chichester District Council has been advised that it can expect full service roll out to start from April 2018. Therefore the introduction of a banded scheme for UC claimants is intended to coincide with this wider Welfare Reform change.

For working age claims that are not in receipt of UC the Council intends to make some minor amendments to the CTR scheme rules that have existed in previous years of CTR. These amendments will bring the scheme in line with changes that have been introduced to the Housing Benefit Scheme. Both the banded scheme for UC and the maintenance of the CTR scheme for other working age cases are intended to ensure that residents of the district continue to remain largely unaffected by the introduction of local schemes in comparison to the previous national CTB scheme that was in operation until the 31 March 2013. This

scheme is applicable from the 1 April 2018 to 31 March 2019, although the Council may choose to extend it further.

This scheme will continue to protect working age and pension age claimants who are in receipt of war widows, war widowers or war disablement pensions. As in previous years the Council's CTR scheme will disregard these incomes in full when calculating entitlement.

Incentives to work remain and are extended as the banded scheme for UC claims aims to make the transition in and out of work as easy as possible. The banded scheme aims to reduce in year reassessments, be easier to understand and as UC rolls out fully this scheme will apply to the majority of working age claims.

In order to keep CTR for working age class E in line with other welfare benefits, the allowances and premiums will mirror and will be uprated by the same percentages as those in the housing benefit scheme.

The Council no longer accepts applications for second adult rebate from working age claimants but this will remain payable to pension age claimants. These claims will be calculated in accordance with the Prescribed Requirements Regulations.

The Equality Act 2010 imposes a general duty to advance equality of opportunity and eliminate discrimination. Chichester District Council is firmly committed to providing and promoting equality for its community and the scheme has been compiled having regard to all of the guidance issued by the Department for Communities and Local Government.

## 1.0 Reduction for different classes

**1.1** CTR schemes must state the classes of person who are to be entitled to a reduction under the scheme and the reduction to which persons in each class are entitled. Chichester District Council will have six classes of person: three classes for people considered to be of pension age and three classes for those of working age.

### 1.2 Pensioners

The Prescribed Requirements Regulations define who is considered to be a pensioner and who is not. Claimants considered to be pensioners will fall into one of three pensioner classes as detailed below. The level of CTR to which they will be entitled is then calculated in accordance with the Prescribed Requirements Regulations.

- Class A: Pensioners whose income is less than the applicable amount.
- Class B: Pensioners whose income is greater than the applicable amount.
- Class C: Alternative maximum council tax reduction.

The Prescribed Requirements Regulations will be used to determine both the level of CTR that is awarded and how the CTR award is calculated for each of these classes, with the exception of the treatment of war pensions. The national CTB scheme allowed Councils to take local decisions regarding the extent to which war widows/widowers and war disablement pensions are taken into account when calculating entitlement. The Council will continue to completely disregard these pensions when calculating a claimant's income.

### 1.3 Working Age

Persons who are resident in Great Britain (or treated as resident), and have not yet reached state pension credit age, fall into one of three working age classes, which are described below. The Prescribed Requirements Regulations determine matters that must be included in CTR schemes for people of working age. However these Regulations do not specify the level of support for this group of people or how CTR awards must be calculated. Entitlement for these classes will be calculated with reference to the local CTR scheme rules. As with pensioner claims the local CTR scheme will continue to fully disregard war widows/widowers and war disablement pensions in the calculation of entitlement to CTR.

#### **1.4 Working Age Class D**

The claimant must

- Be a person who has not yet attained the qualifying age for state pension credit
- Be a person whose partner has not yet attained the qualifying age for state pension credit, except where the claimant is in receipt of income support, income based job seekers allowance or income based employment and support allowance
- Be liable to pay council tax in respect of a dwelling in which they are resident
- Is not deemed to be absent from the dwelling
- Be a person in receipt of income support; income based job seekers allowance; income related employment and support allowance or be a person whose income is below their living allowance as calculated in the means test that applies to those in Working Age Class E.
- Not have capital in excess of £16,000
- Have made an application for CTR and provided the necessary information and evidence to support that application
- Not be a member of a prescribed group excluded from support, such as a person from abroad

#### **1.5 Working Age Class E**

The claimant must

- Be a person who has not yet attained the qualifying age for state pension credit
- Be a person whose partner has not yet attained the qualifying age for state pension credit
- Be liable to pay council tax in respect of a dwelling in which they are resident
- Is not deemed to be absent from the dwelling
- Be a person not in Working Age Class D and whose income is more than their applicable amount

- Not have capital in excess of £16,000
- Have made an application for CTR and provided the necessary information and evidence to support that application
- Not be a member of a prescribed group exempted from support such as a person from abroad

## **1.6 Working Age Class F**

The claimant must

- Be a person who has not yet attained the qualifying age for state pension credit
- Be a person whose partner has not yet attained the qualifying age for state pension credit, except where the claimant is in receipt of UC.
- Be liable to pay council tax in respect of a dwelling in which they are resident for any week where the assessed income and household membership falls within one of the income bands specified by the scheme rules.
- Is not deemed to be absent from the dwelling
- Not have capital in excess of £16,000
- Have been assessed by the DWP for UC, or would have been awarded UC other than for any amendments, pre-payments, sanctions or waiting days.

## **2.0 Excluded Groups**

### **2.1 Persons from abroad**

The Prescribed Requirements Regulations define those persons excluded from CTR.

The exceptions to exclusions for persons from abroad will also remain and be prescribed by the Secretary of State. This will allow those who have recognised refugee status, humanitarian protection, discretionary leave or exceptional leave to remain granted outside the immigration rules and who are exempt from the existing habitual residency test to apply for CTR as long their status has not been revoked.

### **2.2 Students**

Persons who are full time students will be excluded from entitlement to CTR,

except for those entitled to Income Support, UC or Employment Support Allowance (income related). Part time students and claimants who have a partner who is a student may apply. The CTR scheme details which students are excluded and how student income is assessed for those students who are entitled to support.

### 3.0 Who can claim council tax reduction

- 3.1** CTR may be claimed only where the claimant is resident in and liable to pay council tax for a property. Where there is more than one resident the liable person is the one with the greatest legal interest in the dwelling. For example if a resident home owner has a lodger the home owner is liable not the lodger.
- 3.2** When considering who is liable the Council will have regard to all the residents of a property. The liable person or persons will then be determined using the hierarchy of liability as set out below. Where more than one person is considered to be liable for council tax (other than a couple) CTR will be based on their proportion of the charge as determined by the Council (see figure 1 below).

#### **Figure 1: Calculation of proportion of Council Tax liability**

Claimant A shares a property with a friend. They rent the property from a non-resident private landlord and each pay half the rent.

Claimant A's CTR will be based on 50% of the Council Tax charge.

### 3.3 Hierarchy of council tax liability

The person liable to pay the bill is normally the person or persons who reside in the dwelling as their sole or main home and who fits the description nearest the top of the following list:-

- Residents who have a freehold interest in the property, i.e. owner occupiers
- Residents who have a leasehold interest in the property, i.e. leaseholders
- Residents who are statutory or secure tenants i.e. rent payers
- Residents who have a contractual licence to occupy the property i.e. occupants of tied cottages
- Residents with no legal interest in the property



- 3.4** Persons who are temporarily absent from the dwelling may, in some circumstances, continue to be eligible for CTR in accordance with The Prescribed Requirements Regulations.
- 3.5** Persons who are absent from Great Britain will not be eligible to claim CTR in accordance with The Prescribed Requirements Regulations.

#### **4.0 How to apply for council tax reduction**

- 4.1** It is intended that all applications for CTR shall be made, online via the Council's website, claimants will be supported with this where necessary. In exceptional circumstances an alternative method of application will be considered. Applications will be made in accordance with The Prescribed Requirements Regulations. The CTR Scheme Rules give further details.

#### **5.0 The calculation of a reduction**

- 5.1** CTR for pensioners will be calculated in accordance with The Prescribed Requirements Regulations. CTR for persons who fall into one of the three working age classes will be calculated as described below.

##### **5.2 Working Age Class D**

A maximum reduction of 100% of the charge will be awarded for claimants in Working Age Class D. The charge is the annual council tax calculated pro rata where a claimant is not liable for a full financial year (and to exclude any brought forward arrears) minus any other discount which may apply such as single residency discount.

The CTR reduction will be subject to a deduction for any non-dependants in the household. Non-dependants are other adults living with the claimant on a non-commercial basis e.g. adult sons or daughters, relatives or friends.

The calculation for this class is detailed in the CTR Scheme Rules for those claimants falling into Class D: Persons who are not pensioners whose income is less than the applicable amount.

##### **5.3 Working Age Class E**

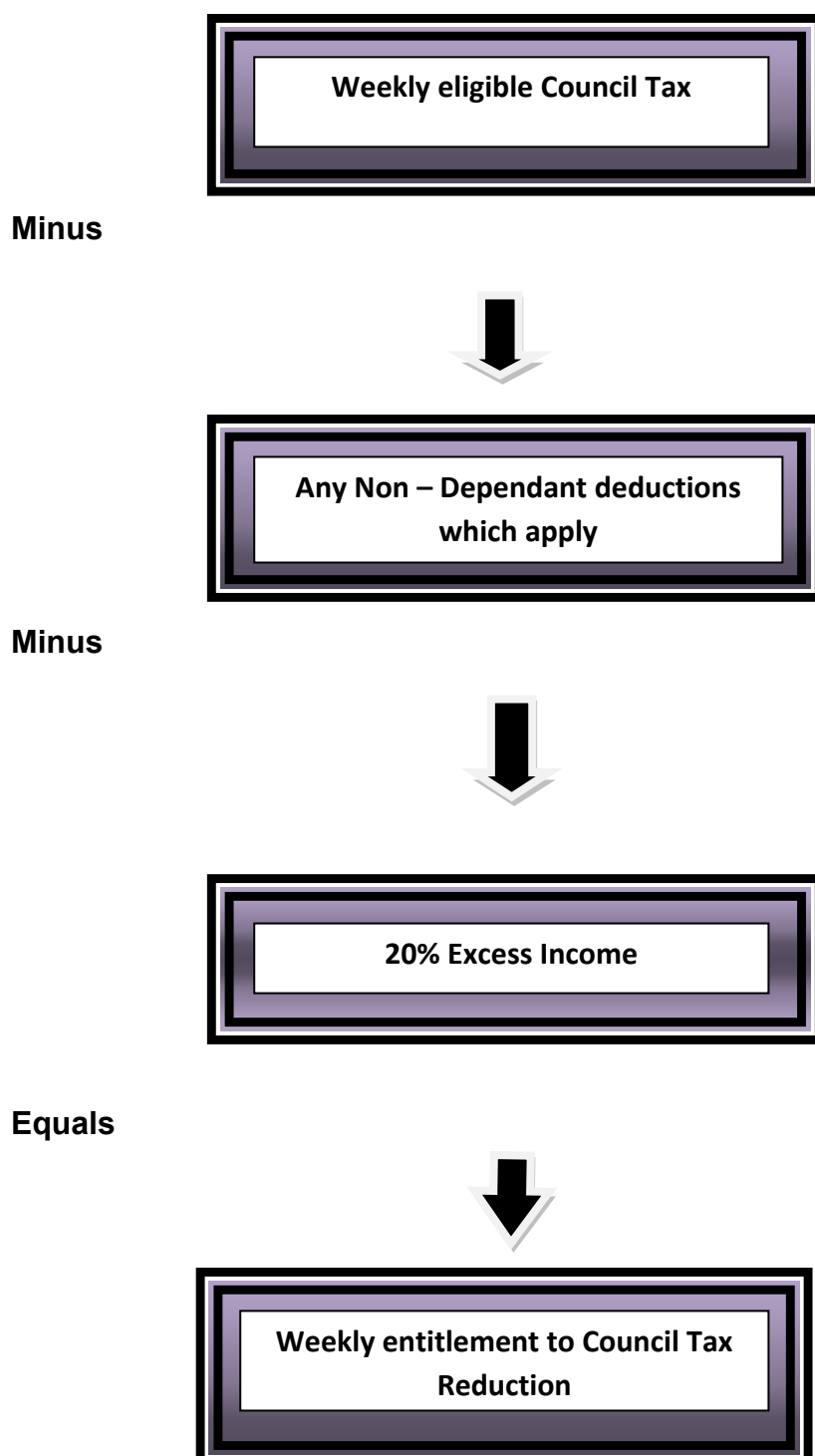
Claimants in Class E will be means tested for CTR. The amount of reduction will be calculated by comparing the claimant's income to their calculated applicable amount and applying a 20% taper to the income above the applicable amount, referred to as excess income.

The calculation for this class is detailed in the CTR Scheme rules for those

claimants falling into Class E: Persons who are not pensioners whose income is greater than the applicable amount.

The amount of CTR will be subject to non-dependant deductions and dependant on the level of excess income. The following diagram and explanations give more detail about how the amount of CTR is calculated for this class of claimant.

**Figure 2: CTR Calculation for Working Age Class E**



## 5.4 Working age Class F

The amount of CTR awarded for claimants in Class F will be determined in accordance with the income bands shown below. The level of household income will be determined in accordance with the award of UC and household composition. The amount of UC income will be that as determined by the DWP excluding any amount for housing costs or adjustment for the benefit CAP.

	Single Household		Couple Household		1 Child Household		2 or more Children	
	Income Band		Income Band		Income Band		Income Band	
Reduction	From	To	From	To	From	To	From	To
100%	£0.00	£100.00	£0.00	£150.00	£0.00	£200.00	£0.00	£250.00
80%	£100.01	£120.00	£150.01	£170.00	£200.01	£220.00	£250.01	£270.00
60%	£120.01	£140.00	£170.01	£190.00	£220.01	£240.00	£270.01	£290.00
40%	£140.01	£160.00	£190.01	£210.00	£240.01	£260.00	£290.01	£310.00
20%	£160.01	£180.00	£210.01	£230.00	£260.01	£280.00	£310.01	£330.00
0%	£180.01	+	£230.01	+	£280.01	+	£330.01	+

The determination of CTR for this class is detailed in the CTR scheme rules for those claimants falling into class F: Persons who are not pensioners whose income is UC.

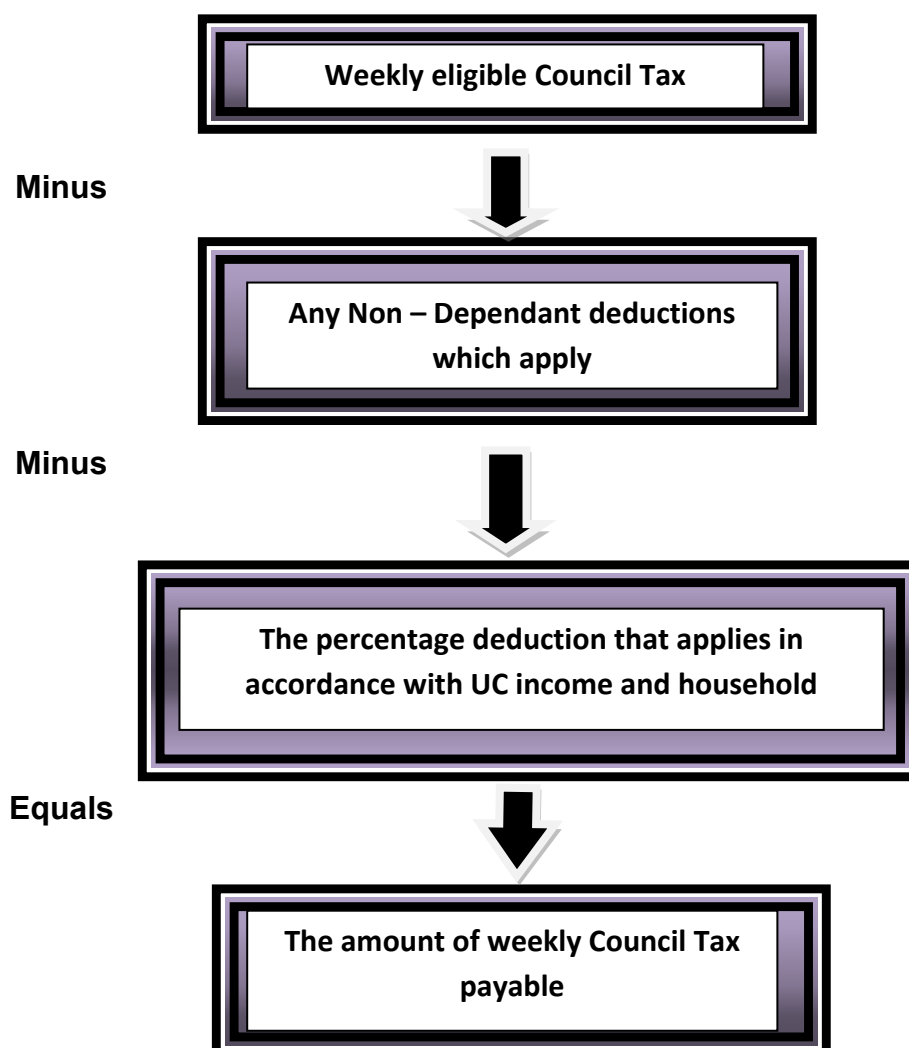
The income for the purpose of calculating the income band is derived from the data supplied by the DWP. The calculation of income shall be as follows.

- The net universal credit earnings of the claimant (and/or partner). The net UC earnings is defined by the DWP prior to any earnings allowances, these earnings will be included net of tax, national insurance and pension contribution as assessed by the DWP.
- Plus the UC award, which means any payment of UC payable, or would have been awarded other than for any deductions, amendments, pre-payments, sanctions or payments to third parties (except for adjustments for housing costs or benefit CAP).
- Plus the UC other income, which is any other income defined by the DWP during the UC award period.
- Less any disregarded income, such as Personal Independence Payments, Attendance Allowance.
- This equals the total income for the purpose of Class F reduction in this scheme.
- This income will attract a level of discount as detailed above.

Household composition will be determined with regard to the information supplied from the DWP. The UC claim will be based on allowances for dependant children and non-dependants. Therefore the composition of household will be determined in accordance with this information. Where a non-dependant is determined to be present a deduction based on their income will be made in accordance with the deductions that apply for working age classes D & E.

The aim of the banded scheme for UC claims is to reduce the cost of administration rather than to reduce the level of support. The bandings have been modelled based on current UC data and the level of support in the bands aims to be as close as possible to the level of support determined where a claimant was not considered by the banded scheme. Therefore existing UC claimants will transfer over to the banded scheme on the 1<sup>st</sup> April 2018. Transitional protection has been considered but not determined to be appropriate as from existing data there is minimal financial disadvantage. There is also provision within the discretionary CTR policy to award an additional amount should it be felt to be appropriate within the circumstances of a claim.

**Figure 2: CTR Calculation for Working Age Class F**



### **5.5 Weekly eligible council tax (applies to class D, class E & class F)**

CTR is calculated on a weekly basis therefore eligible council tax is calculated as follows

- Start with the annual council tax due on the home
- If the claimant is entitled to a disability reduction on their council tax bill, use the council tax figure after that reduction has been made
- If the claimant is entitled to a discount, use the council tax figure after that discount has been made
- Apportion the result if the claimant is a joint occupier (see figure 1)
- Convert it to a weekly figure by dividing by 365 (or 366 in a leap year) and multiplying by 7. For figures which do not relate to a whole year divide by the number of days covered by the charge and multiply by 7

### **5.6 The claimant's household (applies to class D & class E)**

For CTR consideration needs to be given to the claimants family and household. Different categories of people affect the assessment of CTR in different ways.

The members of a claimant's household include :

- Family members
  - The claimant
  - Their partner(s)
  - Dependant children
  - Non dependants
- Other people in the dwelling may include
  - Boarders and sub tenants
  - Joint occupiers, whether joint owners or joint tenants
  - Certain carers

## **5.7 Non-dependant deductions (applies to Class D, Class E & Class F)**

CTR is reduced for each non-dependant normally living in the claimant's household. Non-dependants are other adults living in the claimant's household on a non-commercial basis, typically adult sons, adult daughters, other relatives or friends.

Further details about when a non-dependant deduction applies, the amounts of non-dependant deductions and rules about when no deduction is made can be found in the CTR Scheme Rules.

If the amount of non-dependant deductions exceeds the eligible council tax the claimant will not qualify for CTR.

## **5.8 Excess income (applies to Class E)**

Excess income is income which exceeds the calculated applicable amount.

If the claimant (and their partner's) income is less than their applicable amount they will be considered to be a person falling into Working Age Class D and therefore entitled to a maximum CTR reduction.

If a claimant's income is more than their applicable amount the difference between their income and applicable amount will be referred to as excess income. A taper of 20% will be applied to this excess income. It is deemed that a person can afford to pay 20% of their excess income towards the cost of their council tax; therefore;

- if 20% of the excess income figure is more than their eligible weekly council tax they will not be entitled to CTR
- if 20% of excess income is less than the eligible council tax (net of any non-dependant deduction) the CTR award will be the eligible council tax minus 20% of excess income

Applicable amount and income are explained in more detail in the following sections.

**Figure 3: Example excess income calculation**

Claimant A is a single person with an applicable amount of £71 per week and income of £104 per week.

Claimant A's excess income is £104 minus £71 which equals £33 per week.

Of this excess 20% is treated as an amount that a person can use to pay their council tax - 20% of £33 equals £6.60.

Claimant A's weekly eligible council tax is £14.20 per week. Therefore they would be entitled to CTR of £7.60 (£14.20 - £6.60).

**5.9 Applicable amount**

The applicable amount is the figure used in calculating CTR to reflect the basic living needs of the claimant and household (excluding non-dependants). This is made up of personal allowances and additional amounts (premiums) for special circumstances, such as disability, if applicable.

The CTR Scheme Rules detail how a claimant's applicable amount is calculated.

**5.10 Income and capital (applies to Class D & Class E)**

All sources of income and capital of the claimant and partner are included in the means test. However some types of income are disregarded wholly or in part.

Examples of the types of income and capital to be **included** are;-

- Earnings, pensions and tax credits
- Other state benefits such as contribution based job seekers allowance, contribution based employment and support allowance and carer's allowance
- Savings and investments including property
- Trust funds and other awards for personal injury

The Council will decide what is treated as income and capital and for what period. Further details on how income and capital are calculated and any disregarded sums can be found in the CTR Scheme Rules.

Claimants who fall into Working Age Class E will have their income and capital calculated for CTR as described below.

### 5.11 Income (applies to Class D & Class E)

The income of a claimant and partner if applicable shall be calculated on a weekly basis by:-

- Calculating the amount which is likely to be the average weekly income
- Adding any weekly tariff income from capital (see below)
- Deducting any allowable child care costs
- Deducting any earned income disregards which may apply

### 5.12 Capital (applies to Class D & Class E)

A claimant's capital is first assessed under the rules described by the CTR Scheme Rules, and then taken into account as a weekly tariff income from capital.

- If capital exceeds £16,000 the claimant is not entitled to CTR
- The first £6,000 is completely ignored
- The remainder up to £16,000 is treated as generating a tariff income

Tariff income is assessed as follows

- From the total amount of assessed capital deduct £6,000
- Divide the remainder by 250
- If the result is not an exact multiple of £1, round the figure up to the next whole £1. This is the claimant's weekly tariff income

#### **Figure 4: Example of a tariff income calculation**

Claimant A has £7,500 in her savings account, £1,000 in her current account and shares valued at £500. This means that she has assessed capital of £9,000 of this £6,000 is deducted as the disregarded amount. This leaves £3,000 and tariff income is calculated as below:-

$£3,000 \text{ divided by } 250 = £12$

This means that the claimant will be treated as having £12 per week as income from capital.



### **5.13 Minimum amount (applies to class D and class E)**

A minimum amount of CTR will be applied for working age claims. The minimum amount applied will be £1.00 per week. For claimants determined to be entitled to CTR of less than £1.00 per week no CTR will be awarded.

## **6.0 When entitlement begins**

**6.1** As a general rule entitlement to CTR will begin on the date that the application is made or treated as made as determined by the Council. The Council may choose to treat a claim as being made earlier where a claimant can demonstrate that they have made enquiries earlier via a third party such as the Department for Work and Pensions. The Prescribed Requirements Regulations determine certain circumstances where a claim must be treated as made earlier.

**6.2** The earliest date that entitlement to CTR can begin is 1 month before an application is received. If a person has delayed making an application and they can demonstrate that they had continuous good cause for doing so, for example serious illness prevented them from making a claim, they may make a request that their claim be backdated. The Council will decide whether a claim may be backdated. The following rules will apply

- Requests must be made in writing; this may be on the application form or later
- CTR may not be backdated more than one month before the date of the written request.

Backdated claims will be decided with regard to the CTR scheme rules.

## **7.0 Extended payments**

**7.1** Extended payments of CTR are awarded to assist long term unemployed claimants who have been in receipt of Job Seekers Allowance, Income Support or Employment and Support Allowance for more than 26 weeks who start work, with an expectation that the work will have a duration of 5 weeks or more.

A claimant is entitled to an extended payment if they meet the conditions set out in the CTR Scheme Rules (appendix 1).

## 8.0 Notification of decisions

**8.1** In accordance with the Prescribed Requirements Regulations the claimant will be notified of the award of CTR within 14 days or as soon as possible. This will advise the claimant how much CTR has been awarded as a reduction against their Council Tax liability. As a minimum the notice will contain the following:

- The amount of CTR that has been awarded
- What the claimant needs to do if they want a further explanation of the decision or if they think the decision is wrong
- Details of the requirement to report a change of circumstances

## 9.0 Payment of council tax reduction

**9.1** CTR is awarded as a reduction to the claimant's council tax account. If there remains a residual liability it will be billed as council tax due. If a claimant has made payments of council tax and therefore the award of CTR results in a credit on the account it will be processed as if it was excess council tax paid.

## 10.0 Changes of circumstance

**10.1** If at any time between the making of a claim and a decision being made on it, or during an award of CTR, there is a change of circumstances which would affect the calculation the claimant or their partner, or their representative, has a duty to notify the Council. The Prescribed Requirement Regulations (Schedule 8, Part 2, Regulation 9) defines a claimant's duty to notify a change in their circumstances. This applies to both pensioner and working age claims.

Claimants must notify any changes in their circumstances which may affect the award of CTR and can notify the Council in advance if details of a future change are known.

The matters to be notified include, but are not limited to;-

- changes in household composition
- changes in income
- changes in capital

- change of address

**10.2** Notification may be; -

- in writing
- by telephone
- by email or webform

**10.3** Changes in circumstance which alter the amount of CTR paid shall take effect from the Monday following the date of change, even if it happened in the past. Annual uprating of DWP benefits will be effective from the 1<sup>st</sup> April in the financial year in which they occur.

**10.4** The Council will terminate CTR where entitlement ends, the claimant withdraws their claim, or if any of the following circumstances apply:

- There are doubts as to whether the conditions of entitlement to CTR are fulfilled and the claimant has failed to provide the relevant information requested by the Council
- The Council is considering whether to change the decision and the claimant has failed to provide the relevant information requested by the Council
- The Council considers that too much CTR is being paid and the claimant has failed to provide the relevant information requested by the Council

**10.5** Generally a claim will end on the date of the change that resulted in the end of entitlement, or the date of withdrawal. Where a doubt arises over entitlement or where further information is requested the date of termination will be determined based on the information received. If no information is received the date of termination will be decided by the Council based on the information that it has available.

**10.6** For changes in circumstances that result in an increase in the amount of CTR awarded, the increased amount will reduce the amount of council tax owed. For changes in circumstances that reduce the amount of CTR that is awarded, the reduced amount will increase the amount of council tax that is owed. In both cases a revised bill will be issued detailing the amount of council tax that is due; applicants can request further statements explaining how the change has been calculated. The Council will follow its collection and recovery procedures when collecting any revised amounts due. However consideration will be given to those who are vulnerable and experiencing financial difficulty, particularly where it has been determined that there is an increase in Council

Tax due.

- 10.7** For pensioner claims the effective date of change will be determined with reference to the Prescribed Requirements Regulations (Part 8).
- 10.8** Where a decision is made in respect of a change in circumstances which results in an increase in the amount of council tax that is due, the Council may in exceptional circumstances decide not to recover it. Such decisions will be made with reference to the Council's Discretionary Recovery Policy which can be found in Appendix 3. This policy applies to both working age and pension age claims.

## **11.0 Evidence & required information**

- 11.1** In accordance with the Prescribed Requirements Regulations (Schedule 8, Part 2, Regulation 7) an application for CTR must be supported by such information or evidence as is reasonably required to enable entitlement to be determined. Examples are:

- proof of earnings such as wage slips or self-employed accounts
- bank statements and share certificates

In all cases evidence of the claimant (and any partner's) national insurance number must be provided.

- 11.2** If a claimant has a change in their circumstances during the course of the award they will be required to notify the Council and provide evidence of the change in accordance with 11.3.
- 11.3** The level of evidence to support a new application or change of circumstances will be determined in accordance with the classification of risk group allocated to the claim by the Council's Risk Based Verification Policy.

## **12.0 Appeals**

- 12.1** A claimant may, at any time, put in writing a request to the Council to review his entitlement to CTR, or the amount of any reduction to CTR, outside of the provisions for appeals detailed below. A written explanation will be sent within 14 days or as soon as possible.
- 12.2** In accordance with the Prescribed Requirements Regulations (Schedule 7, Part 2) a claimant, or a person acting on their behalf, who is aggrieved by a decision made under the scheme may formally appeal against it. This appeal should be in writing to the Council and should state the grounds on which it is made.

- 12.3** The Council will consider the appeal and notify the claimant in writing of the outcome, the reasons for the decision and any steps that have been taken to deal with the grievance. If the appellant remains dissatisfied, or a response has not been given within a period of two months from the date of the written appeal, the claimant may appeal directly to the Valuation Tribunal for England.
- 12.4** Appeals against decisions made using the Council's Discretionary Recovery Policy will be considered with reference to the Council's Policy, which can be found in Appendix 3 of this document.

### **13.0 Fraud**

- 13.1** If a claimant dishonestly makes a false statement or fails to disclose information he is under a legal duty to disclose with intention to make a gain, or cause a loss to another, he may be guilty of a criminal offence.
- 13.2** The Council reserves the right to investigate and prosecute potential offences committed by any claimant/recipient of its scheme. It may do so instead of, or as well as, taking any civil action open to it.

### **14.0 Work incentives**

- 14.1** The Council is keen to support people into work, and to continue this support while they are in low paid work, or working variable hours. The introduction of a banded scheme for UC claimants aims to simplify the scheme for working age customers. These customers will remain in a particular band when they have small adjustments to their earnings, meaning that they will be better able to manage their finances and not be subject to a change in Council Tax payable every month (unless the change means that the claimant moves between bands).

### **15.0 Changes to the scheme**

- 15.1** The Local Government Finance Act 2012 stipulates that for each financial year each billing authority must consider whether to revise its scheme or replace it with another scheme. The authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect. The Secretary of State may amend this date.

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1	<b>Local CTR scheme rules 2018 - 2019</b>	
2	<b>Prescribed Requirements Regulations 2012</b>	
3	<b>Discretionary recovery policy April 2014</b>	

## **Appendix 1**

Chichester District Council's Council Tax Reduction Scheme Rules 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

<http://www.chichester.gov.uk/CHttpHandler.ashx?id=25186&p=0>

## **Appendix 2**

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

[http://www.legislation.gov.uk/uksi/2012/2885/pdfs/ukxi\\_20122885\\_en.pdf](http://www.legislation.gov.uk/uksi/2012/2885/pdfs/ukxi_20122885_en.pdf)



## **Appendix 3 Discretionary CTR Policy**

### **1. Changes in the amount of CTR awarded**

In certain limited circumstances the scheme provides discretion for the Council to decide not to recover an increase in council tax resulting from a change in CTR. These decisions should remain unfettered by laid down policy and each case should be considered on its own merits.

However in order to promote fairness and a consistent approach this policy seeks to define the process of determining an application, who will be involved in the decision making process and any subsequent appeals process and what factors may be considered when decision making.

An amount of council tax can be considered for write off if the Council uses its discretion and decides not to recover it. The Council may use its discretion from the outset when the increased amount of council tax is decided, based on information that it has, or may use its discretion later at the request of the claimant or the claimant's representative. These types of write off are called discretionary write offs.

Increased council tax that arose as a consequence of fraud (that is where fraud has been sanctioned) will not be considered for write off.

The usual scenarios for considering an amount for a discretionary write off will be on financial or hardship grounds. However the medical condition of the claimant or family may be relevant and should also be recorded to assist the decision making process.

Discretion is not prescriptive and there are no rules or examples that can be given. Each case must be decided on its merits.

However the following situations may be relevant when considering write off.

- financial hardship
- terminal illness
- senility or learning disabilities
- severe medical conditions, as evidenced by receipt of disability benefits
- health and welfare
- the circumstances of the overpayment
- all other relevant factors

### **Financial hardship**

In order to establish if the claimant is suffering financial hardship it is advisable to do an income and needs comparison and possibly interview the claimant.

Hardship is proven when the income, minus priority debts, gives a figure below the applicable amount. Priority debts include

- rent, council tax, utilities (the on-going amount plus any agreed arrangements to settle arrears).
- fines
- medical expenses. Although these are not priority debts as such, if it can be shown that the claimant has high prescription or travel costs to hospital, or special dietary needs which must be maintained for health reasons, all relating to long term illness, then they may be considered priority debts.

Other factors considered in this scenario might be (this list is not prescriptive)

- the health of the claimant and members of the household
- any savings the claimant has
- the level of disposable income in comparison to a person on a passported benefit such as IS/JSA(IB)/ESA(IB)
- whether they have tried to make an arrangement for minimum repayments
- whether they have any priority debts, see above
- whether a non-dependant can contribute to other household expenses
- writing off part of the overpayment rather than all of it
- whether the claimant has contacted their other creditors to reduce payments in order to repay this debt
- the cause of the increased council tax liability

The decision not to recover an amount of council tax is an exceptional step and needs the claimant's cooperation to prove hardship e.g. providing utility bills, rent statements etc. If the claimant is not prepared to provide such details the Council may decide to pursue recovery action.

If hardship can be proved the Council may consider a discretionary write off and the claimant will be notified of the decision.

In cases of possible hardship it may be prudent to advise the claimant to contact their local Citizens Advice Bureau (CAB) for financial advice.

### **The cause of the overpayment**

If increased liability arose as a consequence of an official error by the Council consideration will be given to whether the amount should be recovered from the person to whom it was paid. Each case will be considered on its own merits, however regard will be given to the claimants financial capability to pay the increased amount as well as other factors such as the health of the claimant, partner or immediate family.

In identifying the cause of an adjustment to a persons council tax liability the appropriate consideration is "What is the substantial cause of the increased charge viewed in a common sense way?" The claimant or a third party can only 'cause' an adjustment if they intentionally or unintentionally misrepresent, or fail to disclose a material fact.

If there is more than one cause of an adjustment, these must be separated out. In such cases the two (or more causes), periods and amounts must be separately identified, and separate decisions made about whether the amount will be recovered.

An official error is a mistake, whether in the form of an act or omission, made by the Council, or someone on their behalf (such as a contractor or housing association that verifies claims on the Council's behalf).

## **2. Financial vulnerability as a result of the banded scheme for UC**

Where a claimant can demonstrate that the effect of the banded scheme for UC claims has caused financial hardship they may apply for a Discretionary Award of CTR. The circumstances in which this award would be made are limited, and restricted to those claimants whose CTR is calculated in accordance with the banded scheme and they are financially disadvantaged as a result.

The intention of the banded scheme for UC claimants is to make savings in the cost of scheme administration, not to reduce entitlement to CTR in comparison to the scheme rules for those of working age that are not in receipt of UC.

## **3. How to make an application**

- Generally be in writing by letter or email from the claimant or representative
- Give reasons for the application
- Provide evidence of the personal circumstances that have led to the application
- Provide details of any special, exceptional or extenuating circumstances as to why the overpayment should not be recovered.
- May also be made by a senior officer of the Council where there is evidence that the claimant may not be able to make an application themselves due to ill health or vulnerability.

## **4. Decision making**

- A Senior Benefits Officer will determine the facts of the case and will confirm whether the decision resulting in the billable amount is correct. They will also consider whether all appropriate discounts have been awarded.

## **5. Appeal process**

- In the case of an appeal against a decision the case will be reconsidered by another senior officer to see whether any additional information has been provided that may change the decision.
- If the claimant still wishes to appeal he may do so by writing to the Valuation Tribunal directly