

**Local Council Tax Reduction Scheme  
April 2024 to March 2025**

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## Introduction

Since April 2013 all Council Tax billing authorities in England are required to have a scheme to help people on low incomes in meeting the cost of their Council Tax. This document describes the Council Tax Reduction (CTR) scheme for Chichester District Council for the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025.

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 this scheme as the Prescribed Requirements Regulations.

The CTR scheme will continue to protect claimants in all classes that are in receipt of war widows, war widowers or war disablement pensions. As in previous years these incomes will be disregarded in full when calculating entitlement to a reduction.

It is proposed for the twelfth year the local CTR scheme (2024 - 2025) remains unchanged from the 2023- 2024 scheme in terms of the calculation rules and level of support offered to bill payers. However, some minor changes to the calculation of Universal Credit income have been introduced to ease administration. Any changes to the Housing Benefit Regulations will be reflected in the scheme when available later in the year as well as Universal Income bands set inline with benefit uprating. In year changes in response to national emergency response measures where appropriate will be permitted in consultation and agreement with the Director for Corporate Services and the Cabinet Member for Revenues & Benefits.

This scheme is applicable from the 1<sup>st</sup> of April 2024 to 31<sup>st</sup> March 2025, although the Council may choose to extend it further.

## **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 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 is calculated for each of these classes, except for the treatment of war pensioners. 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 in accordance with these 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 (see 3.4).
- Be a person in receipt of income support; income-based job seekers allowance; income related employment and support allowance; maximum award of UC 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 more than £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 more than £16,000.
- Have made an application for CTR and provided the necessary information 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 more than £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 habitual residency test to apply for CTR as long as 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 and Support Allowance (income related). Part time students and claimants who have a partner who is a student may apply. The Housing Benefit Regulations 2006 Part 7 defines which 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.
- 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 in 3.3 below. Where more than one person is 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 would 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.

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

- 4.1 Applications for CTR will be made online, via a form available from the Council's website. Where a claimant is unable to claim online, they will be offered support to do so by appointment with an officer from the Council, or in exceptional circumstances asked to make a claim by telephone by appointment.
- 4.2 The Council may decide to accept applications from vulnerable people in an alternative format where the circumstances require it, particularly where a third party is involved such as the Department for Work and Pensions, Social Services or Citizens advice. This will be at the Council's discretion on a case-by-case basis.

## **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.

### **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 amount of CTR will be subject to non-dependant deductions and dependant on the level of excess income.

### **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, limited capability for work and disabled child elements.

	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	£116.00	£0.00	£171.00	£0.00	£232.00	£0.00	£287.00
80%	£116.01	£138.00	£171.01	£193.00	£232.01	£254.00	£287.01	£309.00
60%	£138.01	£160.00	£193.01	£215.00	£254.01	£276.00	£309.01	£331.00
40%	£160.01	£182.00	£215.01	£237.00	£276.01	£298.00	£331.01	£353.00
20%	£182.01	£204.00	£237.01	£259.00	£298.01	£320.00	£353.01	£375.00
0%	£204.01	+	£259.01	+	£320.01	+	£375.01	+

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 UC earnings of the claimant (and/or partner) as 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.
- Plus, the UC other income, which is any other income defined by the DWP during the UC award.
- Less any childcare element included within the UC award.
- Less any disregarded income, such as Personal Independence Payments and Attendance Allowance, as well as any payment of transitional protection relating to the severe disability premium.
- 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.

\*Where the figure provided by the DWP is considered to contain an obvious error the decision maker may revise the figure based on best evidence.

## 5.5 Weekly eligible council tax

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 above)
- Convert the final figure (net council tax liability) to a weekly amount 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 applicant's household (applies to Classes D, E & F)**

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

The members of the applicant's household include:

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

When determining household composition, the Council's decision maker uses the Housing Benefit Regulations 2006. Part 4 of these Regulations define membership of a family.

**5.7** 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.

For this scheme a non-dependant is defined using the Housing Benefit Regulations 2006, specifically Regulation 3 Definition of non-dependant. However, the terms used within this Regulation are defined elsewhere within the Housing Benefit Regulations, specifically Regulation 2 Interpretation.

These Regulations determine when a non-dependant deduction should be applied and in what situations a deduction is not applied.

For working age Classes D & E the non-dependant's income is calculated in accordance with the Prescribed Requirements Regulations, specifically Part 3, Regulation 8, this Regulation also details the level of deduction that applies.

For working age Class F a flat rate non-dependant deduction of £3.90 per week will be made in respect of each non-dependants aged 18 or over normally residing in the claimant's household that are in remunerative work.

## **5.8 Excess income (applies to Classes D & 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 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 of this scheme document. The Regulations and Schedules that apply to Housing Benefit are used to determine an individual's applicable amount and income. Specifically, Part 5 applicable amounts and schedule 3 and Part 6 and Schedules 4, 5 and 6). The taper of 20% is the same that was used in the Council Tax Benefit Regulations 2006 that existed before the introduction of Local Schemes in 2013. This has been retained within the scheme for Working Age Classes D & E to give claimants equivalent levels of support that existed prior to the introduction of local schemes.

## 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.

For the purpose of CTR the applicable amount for working age Classes D & E is calculated using the same rules that apply for Housing Benefit that is the Housing Benefit Regulations 2006. Specifically, Part 5 and Schedule 3 of these Regulations.

## 5.10 **Income and Capital (applies to Classes D & 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. These decisions will be made with reference to the Housing Benefit Regulations 2006. Specifically, Part 6 and Schedules 4, 5 and 6 of these Regulations.

## 5.11 **Income (applies to Classes D & 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 childcare costs
- Deducting any earned income disregards which may apply

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

### **5.13 Minimum amount (applies to Classes D & 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 Monday following the date the application is made or treated as being 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 (Schedule 8 Part 2) 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 (or treated as being made). 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, 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 online application form or later via email or in writing.
  - CTR may not be backdated more than one month before the date of the written request.
- 6.3 Where the Council decides to make a retrospective change affecting liability of a property and the claimant can demonstrate that they would have been entitled to a reduction had they been made liable and billed earlier, the Council will treat them as making a claim on the date that the liability commenced. Each case will be considered on its own merits.

## **7.0 Extended Payments**

- 7.1 Extended payments of CTR are awarded to assist long term unemployed claimants and their partner when they start work. Extended payments can be awarded for a period of 4 weeks to any claimant who has been out of work for 26 weeks who starts work, with the exception that the work will have a duration of 5 weeks or more.

A claimant is entitled to an extended payment if they satisfy the conditions set out in the Housing Benefit Regulations. Specifically (HB 2(1), 72, 73.

## **8.0 Notification of decisions**

In accordance with the Prescribed Requirements Regulations (Part 3) 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 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 on the claimant's council tax account. If there remains a residual liability it is 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 were excess council tax paid.

## **10.0 Changes of circumstance**

- 10.1 If at any time between the making of the 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, their partner or representative, has a duty to notify the Council. The Prescribed Requirements Regulations (Schedule 8,

Part 2, Regulation 9) defines a claimant's duty to notify a change in their circumstances. This applies to both working age and pensioner 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 of a change should where possible be made online. This is the quickest and easiest way to report a change. Where a claimant is unable to access online services alternatives will be accepted, such as in writing (including via email) and over the telephone.
- 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> of 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.
- 10.6 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.
- 10.7 For changes that result in an increased amount of CTR awarded, the increased amount will reduce the amount of council tax owed. For changes in circumstance that reduce the amount of CTR 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 may 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.

- 10.8 For pensioner claims the effective date of change will be determined with reference to the Prescribed Requirements Regulations (Part 8).
- 10.9 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 Council Tax Reduction 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. The Council determines the level of evidence required to support a claim or a change of circumstances in accordance with its Risk Based Verification (RBV) Policy (see appendix 4).
- 11.2 This Policy allows the Council to allocate a risk score to a CTR claim or a reported change of circumstance, this risk score then informs the standard of verification that is applied to that claim for the purpose of calculating entitlement.
- 11.3 For all new claims evidence of the claimants (and any partner's) national insurance number and identity must be provided as a minimum.

## **12.0 Appeals**

- 12.1 A claimant may, at any time request the Council to review their entitlement to CTR, or the amount of any reduction to CTR, outside of the provisions for



appeals detailed below. Requests can be submitted by email or in writing. 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 must be in writing to the Council and should state the grounds on which the appeal is being 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 the decisions made using the Council's Discretionary Reduction Policy will be considered with reference to the Policy, which can be found in Appendix 3 of this document.

### **13.0 Fraud**

- 13.1 When a claimant makes an application for CTR they are required to sign a declaration as part of the application process. This requests a customer to declare that the information given on the form is correct and complete and that they understand that if they knowingly give information that is incorrect or incomplete, that the Council may take action against them. This may include court action.
- 13.2 If a claimant dishonestly makes a false statement or fails to disclose information, they are under a legal duty to disclose with intention to make a gain or cause a loss to another, they may be guilty of a criminal offence.
- 13.3 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.
- 13.4 The Council has adopted a Risk Based Verification Policy for the purpose of determining entitlement to CTR. This specifically determines the standard of verification required to support an application. Claims that are determined to have a low risk of fraud an error only require a minimum standard of proof, while claims that are high risk will require a greater standard of proof. The adoption of this Policy aims to reduce the level of fraud and error. This is

monitored for the purpose of this Policy and adjustments made where necessary.

#### **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 the 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 the 11<sup>th</sup> of March 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.

**Appendix 1:**

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

[http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi\\_20122885\\_en.pdf](http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf)

[http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi\\_20171305\\_en.pdf](http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi_20171305_en.pdf)

[The Council Tax \(Demand Notices and Reduction Schemes\) \(England\) \(Amendment\) Regulations 2022 \(legislation.gov.uk\)](#)

[The Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) \(Amendment\) Regulations 2022 \(legislation.gov.uk\)](#)

**Appendix 2:**

The Housing Benefit Regulations 2006 (as amended)

<http://www.legislation.gov.uk/uksi/2006/213/contents>

## Appendix 3 Council Tax Reduction Discretionary Awards Policy

### 1. Background

The Local Government Finance Act 2012 gave Local Authority's the freedom to develop their own Council Tax Reduction Schemes for people of working age giving due consideration to the needs of their residents. These Schemes sit under Section 13A (1) (a) of this Act. There are certain circumstances where the Council may apply discretion to ensure that the needs of residents are met. This Policy outlines who can apply for a Discretionary award and the decision-making process that Officers of the Authority will follow when considering these decisions.

### 2. Individuals who may be awarded a Discretionary Council Tax Reduction

There are three situations where additional CTR will be considered by the Authority, these are described below.

- Where there has been a change of entitlement that has resulted in the determination that an increased amount of Council Tax is due. Particularly in cases where there has been an error on behalf of the Authority.
- Where a household is disadvantaged by being assessed under Class F of the Scheme (banded scheme for Universal Credit).
- Where an individual is a Care Leaver in receipt of a reduction but require additional support to assist them in transitioning to unsupported living.

In situations where none of the conditions above are met then additional CTR under the Local CTR scheme will not be appropriate. However, the Council have an overarching obligation to consider the matter with regard to is discretion under the wider 13A(1)(c) provision (appendix 4). This provision allows for the Council to reduce or further reduce a liability as it thinks fit. These decisions are made on an exceptional basis, as the cost of this reduction is borne wholly by the Council. Where a decision is made not to make a discretionary award under the Local CTR scheme, then the case will be passed to the Taxation team to establish whether any consideration can be given under the wider discretionary scheme.

#### Changes in the amount of CTR awarded

In certain limited circumstances the Council may decide not to recover an increase in council tax resulting from a change in CTR.

An amount of increased 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 offs are called discretionary CTR write offs.

If increased liability arose because 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. This may be the only factor considered or it may be combined with other relevant factors such as financial hardship or health.

In identifying the cause of an adjustment to a person's 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 acting on their behalf (such as a contractor or housing association that verifies claims on the Council's behalf).

#### **4.2 Financial vulnerability because of the banded UC scheme (Class F)**

Where a claimant can demonstrate that the effect of the banded scheme for UC claims (Class F in the scheme) has caused financial hardship, they may apply for a Discretionary Award of CTR.

An award may also be made under this provision to assist a customer with the transition to UC. For some customers adjusting to this new income can be challenging therefore if appropriate a short-term award of additional CTR may be made aimed at alleviating hardship because of this transition.

The circumstances in which this type of award would be made are limited to those claimants in receipt of UC who are suffering financial hardship and/or disadvantaged by the UC banded scheme in comparison to the traditional means test or legacy benefits.

The customer will need detail how they feel that they have been financially disadvantaged and provide evidence of financial hardship to demonstrate this if appropriate.

#### **4.3 Care Leavers**

A care leaver is defined as a person that has previously been looked after by a Local Authority under the Children Act 2000. A discretionary award may be paid in addition to CTR awarded under this scheme where a customer is in financial hardship and they require support in the transition to adulthood.

### **3. Applications**

Applications should be made in writing by letter or email, the request should detail the grounds on which the application is made and the applicant should provide documentary evidence to support their case where necessary. A new application will need to be made for each financial year, however generally awards are intended to be made on a short-term basis only.

#### **4. Decision making**

A Senior Benefits Officer (the decision maker) will determine the facts of the case, considering the CTR award as the first step and establishing whether any other discount or exemption may be applicable in the circumstances. The decision maker will take account of a variety of factors including, but not restricted to:

- Financial hardship
- Terminal illness
- Senility or learning disabilities
- Severe medical conditions, including mental illness
- Health & welfare
- Cause of an award adjustment

#### **5. Start date of a reduction**

The decision maker will decide the period that it is appropriate to make a decision. Generally, this will be for a past period where an award adjustment has been created in the past or an ongoing award made from the date of application or change in circumstances aimed at transitioning a claimant into UC or from leaving care.

#### **6. Charges that will not be considered to attract a Discretionary Reduction**

The following will not be considered for a Discretionary Reduction.

- Increased Council Tax because of Fraud
- Penalty charges applied to an account because of Fraud
- Court costs
- Recovery costs e.g., the cost of the issue of a summons or costs incurred by an enforcement agent

#### **7. Notification of decision**

The applicant and/or their representative will be informed of the decision in writing, issued either by email or letter. This letter will advise them of the outcome of their application and where a refusal is made detail the reasoning behind the decision not to make an award. The applicant will also be advised what they need to do next if they disagree with the decision that has been made.

Where an application for discretion is made for circumstances that fall out of those detailed in Paragraph 2 of this Policy these applications will be dealt with under The Council's Discretionary Council Tax Reduction Policy under 13A(1)(C) of the Local Government Finance Act 2012. This Policy has been included as Appendix to this document. This Policy allows for discretion to be applied to any bill payer of the district, not just those in receipt of CTR.

## **8. Reconsiderations and Appeals**

Reconsiderations against CTR discretionary decisions will be considered by another Senior Benefits Officer of the Authority using the same decision making and notification principles described above.

If the applicant disagrees with the outcome of the reconsideration, they may appeal directly to the Valuation Tribunal for England. This is an independent body which adjudicates on disputes between Council Taxpayers and the billing Authority (the Council). Appeals must be made direct to the Valuation Tribunal within two months of the notification of decision.

## Appendix 4 – Section 13A (1) © Protocol

### Chichester District Council

### Council Tax Section 13A (1) (c) Protocol

#### **Background**

Section 13A (1) (c) of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 provides billing authorities with the discretion to reduce Council Tax liabilities “to such extent as the authority thinks fit”. This is in addition to the statutory council tax reduction scheme provided for in s13(1)(a). This document outlines guidance to how this discretion will be exercised by Chichester District Council.

The purpose of the discretionary reduction scheme is to provide assistance to Council Taxpayers to help reduce their Council Tax liability. All factors must be considered by the Decision Maker to enable them to reach a fair, reasonable, and proportionate decision.

Each application received will be treated on its own merits and all applicants will receive equal and fair treatment.

The cost of any relief must be met by Chichester District Council and, therefore the Council Taxpayers of the district.

There is no statutory right for any Council Taxpayer to receive a discretionary reduction. Neither is there any statutory right for the award of a reduction to be backdated to a period earlier than the date the application is made.

There are no pre-determined criteria, for the award of a discretionary reduction, although a household’s income and expenditure are important, other factors will be considered such as whether the applicant has taken steps to address the issues raised or whether they have recourse to other funds e.g., unclaimed benefits, insurance claims etc. Each application will be considered based upon the individual circumstances of the applicant. Where appropriate other avenues of recovery will be explored.

The Council will give (but not exclusive) consideration to applications where the applicant is experiencing specific, exceptional, or unforeseen situations which then impacts on their ability to meet their Council Tax liability. For example, evidence of ill health (which could be mental or physical) or evidence of vulnerability.



It should be noted that all information given to the Council will be treated in confidence and in accordance with The Data Protection Act 2018.

Any discretionary reduction awarded is applied as a reduction in Council Tax liability.

### **Who can apply for a discretionary reduction?**

The discretionary reduction scheme is available to anyone with a liability to pay Council Tax to Chichester District Council.

This can include:

- A resident freeholder
- A resident leaseholder
- A resident statutory or secure tenant
- A resident licensee
- A resident
- The owner (where the dwelling has no residents)

### **When will a discretionary reduction be applied?**

Any remaining Council Tax liability after all other applicable reductions have been applied may attract a discretionary reduction. Applicable reductions include:

- Council Tax reduction scheme
- Council Tax statutory exemptions
- Council Tax discounts
- Council Tax disabled band reductions

### **Which charges will not generally attract a discretionary reduction?**

A discretionary reduction will generally not be awarded for costs added to a Council Tax account in addition to the annual liability i.e.

- Court costs
- Recovery costs applied to an account (for example the cost for a summons and costs charged by Enforcement Agents)
- Penalty charges levied on an account because of a taxpayer either failing to disclose information or making a false statement

### **Classes of person or property who may be awarded a discretionary reduction**

A class of case may be determined for a reduction in Council Tax, for example certain groups of people who have reached pension age, or people living in a certain area. Applications may be made by taxpayers, groups of taxpayers, members, or any other person or group.

All applications for establishing a class of taxpayers who will receive a reduction are referred to the Director of Housing and Communities will then decide if the application merits consideration by members. A class of taxpayers will only be determined by decision of Cabinet due to the impact on other taxpayers.

### **Application process**

An individual applying for a reduction under this provision must-

- Be the person(s) liable for payment of the Council Tax (or their nominee) submit a written application.
- Provide the Council with such information as it may require making an informed decision. Typical information required will be a household income and expenditure statement, utility bills etc. The Council may ask for additional information and/or evidence if it is deemed necessary
- Inform the Council of any changes of circumstance relevant to their application or any subsequent reduction awarded
- Continue to make payments to their Council Tax account while the application is being considered.

### **Decision Making**

A revenues officer will determine the facts of the case, and will confirm whether all applicable discounts, exemptions or Council Tax reduction have been awarded.

The Revenues and Debt Recovery Manager or Service Manager will consider the case and decide whether the Council Tax should be reduced.

### **Decision notification**

When a decision has been made, the applicant will be notified in writing of the outcome of their application. The decision will include a statement outlining the reasons for the decision, and what factors have been considered when making the decision.

### **Reconsideration of the discretionary reduction decision**

If the applicant(s) disagree with a decision, they may request that their application is reconsidered. Any request for reconsideration must be made within one calendar month of the original decision letter being issued. All applications for reconsideration must be made in writing or via email and must outline the reasons the applicant is disputing the decision.

The reconsideration application will be first considered by the Revenues and Debt Recovery Manager or Service Manager who have unfettered discretion to affirm or

rescind the original decision or part thereof. If the decision remains unchanged the case will be passed to the Divisional Manger for consideration. This reconsidered decision will be final. The applicant will be notified in writing of the outcome of the reconsideration and the reasons for the decision.

### **Appeal against the Council's decision to the Valuation Tribunal**

If, after receiving the reconsideration decision from the Council, an applicant still disputes the decision, they can appeal to a Valuation Tribunal.

The Valuation Tribunal for England is an independent body which adjudicates on disputes between taxpayers and the Council.

Appeals must be made directly to the Valuation Tribunal.

### **Decision Recording**

A record will be kept of all decisions made.

### **Individuals who may be awarded a discretionary reduction**

Applications for a discretionary reduction will be accepted from the person(s) liable for Council Tax for any number of reasons, for example hardship perceived or actual non delivery of local services, local problems such as roadworks or flooding, or even national issues.

### **Qualifying criteria**

The discretionary reduction scheme is available to those with a liability to pay Council Tax to Chichester District Council.

The Council will consider the applicant's circumstances which will include –

- Whether the inability to meet the Council Tax liability could be alleviated in another manner, such as the award of a statutory discount, alternative payment arrangements or by pursuing other avenues of financial assistance
- The personal circumstances of the applicant, their partner, and other members of the household
- The income and expenditure of the applicant, their partner and household members
- All financial circumstances of the household, for instance, any savings or capital which could be used to finance the Council Tax liability. Where payments have been made towards the Council Tax prior to the application investigations will be made to clarify how the applicant had afforded to make those payments.

- Whether the applicant's expenditure includes avoidable expenses which, in some circumstances, may be considered luxuries or lifestyle choices, or that could be reduced to enable the applicant to pay their Council Tax.
- For taxpayers with a joint liability, the circumstances and financial standing of other liable parties and their households.

This list is not exhaustive, and all other relevant factors and circumstances will be considered during the decision-making process. That is, all decisions will be assessed on the merits of the application.

The general starting point for considering an award will be an income and expenditure calculation but this may not always be appropriate. To ensure that decisions are reasonable and proportionate, it may be more appropriate to consider the applicants personal circumstances first and consider why they have requested a discretionary reduction.

### **Amount and period of reduction**

The amount of reduction awarded is at the discretion of the Council with the maximum award being 100% of the taxpayer's net liability after exemptions, discounts, reductions, and support have been applied.

All the applicant's personal circumstances, not just financial, will be considered when considering the period of the reduction and the amount awarded. The decision maker will also consider the consequences of not making an award.

### **Start date of reduction**

Awards under the discretionary reduction scheme will usually start from the date the Council receives the application form but, but after taking all circumstances into account, the award may be backdated to an earlier date if considered appropriate. For instance, if an applicant could not make a claim immediately due to physical or mental ill health or due to other circumstances beyond their control.

The decision maker will consider the applicants circumstances objectively and award the reduction from an earlier date than the application was received if appropriate.

When an application has been considered and a decision made, it may be applicable to signpost the applicant to free sources of independent money and debt advice.

### **Subsequent further applications**

Applicants may make further applications for a discretionary reduction under this scheme if their circumstances change and their previous application was refused.

A reduction under this discretionary scheme does not necessarily mean that a further award will be made later.

The Council may be less likely to make a second or further award if the applicant is unable to demonstrate that they have attempted to improve their circumstances. But in any event, all factors as outlined in the application will be considered.

### **Overpaid discretionary reductions**

Where a reduction has been given and this is later found to be too high, this will generally be recovered from the applicant's Council Tax account, thus increasing the amount of Council Tax that is due and payable.

The reduction given may have been too high because of:

- Administrative error by the Council.
- As a result of false, inaccurate, incomplete, or misleading information provided to the Council by the applicant or by another person on the applicant's behalf or at their request.

### **Fraud**

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Section 13A relief might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate, and this could lead to criminal proceedings.

### **Monitoring**

The Council is committed to its responsibilities to equality and fairness and will ensure that people are treated fairly and given fair chances. The scheme aims to give the fairest outcomes to everyone regardless of race, gender, reassignment, age, disability, religious beliefs, sex, or sexual orientation.

This policy will be monitored and reviewed to ensure it has been applied fairly and consistently.