Appendix A

London Borough of Islington

Council Tax Support Scheme

Draft for approval by Council on 12 December 2024

Islington Council: Council Tax Support Scheme

1. This document and the law

This document is the London Borough of Islington's Council Tax Reduction Scheme, set out under section 13A (2) [substituted by clause 8 of the Local government finance Bill] of the Local Government Finance Act 1992.

This scheme, referred to as Council Tax Support (CTS), has been agreed based on:

- the outcome of a public consultation exercise carried out in 2012, repeated in 2016, 2021 and 2023;
- the Equality Impact Assessment made in relation to the scheme and the subsequent Equality Impact Assessments carried out annually; and
- Considerations and decisions made annually by full Council.

2. Introduction

CTS reduces the amount of council tax a person has to pay based on an assessment made by Islington Council (the Council). As the Billing Authority, council tax is raised and charged by the Council and the CTS assessed by the Council can only be applied to council tax bills issued by the Council.

This scheme sets out rules for three classes of claimants. The amount of CTS shall be determined through means testing. As such the income and capital of the claimant and any partner or partners in the case of a polygamous couple in the household shall be taken into account. It is considered that eligibility for CTS is defined by the terms of the former Council Tax Benefit (CTB) scheme as set out in the Social Security Contributions and Benefits Act 1992, the Social Security Administration Act 1992, the Council Tax Benefit Regulations 2006 and the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001, the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012. These will hereafter be known as the Regulations and these Regulations set out how CTB was claimed, how it was calculated and how it was paid. This scheme proposes that the principles and methods set out in those Regulations be used to determine CTS, except where amendments are set out in this scheme or by statute under the Local Government Finance Act 1992 (as amended) and accompanying legislation. For the avoidance of doubt, where there is a difference or conflict between the Regulations and the Council's CTS scheme, then it is the Council's CTS scheme as set out here that will take precedence and be applied.

3. Making a claim

A claim must be made in respect of a person who is resident in the dwelling concerned, and liable for payment of council tax. A valid claim can be made by the person liable for council tax or by their appointed representative.

3.1 How to claim

3.1.1 Except where paragraph 3.1.2 applies, an application shall be required for all new claims

from 1 April 2013. A person liable to pay council tax will be able to make a claim using any of the methods the Council provides for. Generally, claims can be made via telephone, email, the Council website, in writing or in person at Islington Council offices, or to the Department of Work and Pensions (DWP) and Jobcentres. Notification by the DWP that a person has claimed universal credit will be treated as an application for CTS. A valid claim must be accompanied by the necessary supporting evidence.

3.1.2 For claimants entitled to the reduction in class 2 only (defined below), where it is possible for the Council to award CTS without application it shall do so. Indeed, for this provision an identification by the Council that a person would be entitled to this reduction by virtue of relevant detail already obtained by the Council may be enough to constitute a claim and to enable the award of a reduction. If a reduction cannot be awarded by the Council automatically under class 2, it shall be the duty of the person or persons with a council tax liability to claim this using the application process prescribed on the Islington Council website, and this application shall be required to be received in the council tax year for which the reduction applies.

4. Classes of reduction

4.1 It is considered that the Council has 3 classes of reduction in its CTS scheme. The classes below also identify the persons that the reduction will cover.

Class 1 – A person or persons of pension credit age has protection prescribed in the Local Government Finance Act 1992 (as amended). The council tax reduction shall be assessed in accordance with the provisions of that Act.

Class 2 – A person or persons with a council tax liability on 1 April 2025 and of state pension age or over shall be entitled to a minimum reduction of £100 per annum, unless the council tax liability is less than this, in which case it shall match the annual council tax liability.

Class 3 – A person or persons not entitled to protection under class 1 who would be entitled to CTB based on the Regulations at 31 March 2013 will receive a maximum level of council tax support based on the net earned income of the applicant and their partner, if they have one, accounting for any children and the Income Band that they fall into, as per table 1 below.

We reserve the right to update the income bands annually in line with inflation (Consumer Price Index or CPI) to a maximum of 10%.

Earned income will be calculated net of income tax, national insurance and 100% of pension contributions, there will be no other deductions.

Persons in receipt of Universal Credit will have their earned income calculated using the earnings verified on the Universal Credit award notification.

Weekly earnings

Band	Single with no children	Single with one child / Couple with no children	Single with two children or more / Couple with one child	Couple with two children or more	Discount
1	Passported, not working	Passported, not working	Passported, not working	Passported, not working	100%
2	£0	£0	£0	£0	95%
3	£1-£25.43	£1-£66.11	£1-£106.79	£1-£147.47	85%
4	£25.44-£81.36	£66.12--£122.04	£106.80-£162.72	£147.48-£203.40	75%
5	£81.36-£122.04	£122.05-£162.72	£162.73-£203.40	£203.41-£244.08	65%
6	£122.05-£162.72	£162.73-£203.40	£203.41-£244.08	£244.09-£284.76	50%
7	£162.73--£203.40	£203.41-£244.08	£244.09-£284.76	£284.77-£325.44	35%

Persons who are passported, not working will fall into band 1 and receive 100% discount. Passported, not working means those on legacy benefits receiving Personal Independence Payment or Disability Living Allowance, on Universal Credit with limited capability for work and single parents with zero earnings with a child aged under five years.

Persons who do not have any earned income and do not fall into band 1 will be placed in band 2.

Persons who have earned income will be placed into the band in which their weekly net earnings fall.

Persons' earnings will be updated as changes happen, however a new council tax bill will only be issued if a working age households' income changes the band meaning there will be change to their council tax bill within that year.

4.2 Making changes to the dates for the classes of reduction

For Class 2, the Council may substitute the date provided with a date of its choosing. This will enable the scheme to continue into future years. Any changes to dates shall be published on the website by 11 March of the year that immediately precedes the new council tax year to which the CTS shall apply.

4.3 Making changes to the values for the classes of reduction

For Class 2, for the minimum reduction the Council may substitute any amount it chooses,

including £Nil. Should a change be made for a future council tax year, this shall be published on the website by 11 March of the year that immediately precedes the new council tax year to which the CTS shall apply.

For Class 3, amend the income bands capped at a 10% change.

4.4 Administering the reduction

For all Classes the reduction shall be made to the council tax liability in the council tax year that the CTS applies.

4.5 Non-dependant deductions

The non-dependant deductions for pensioners (Classes 1 and 2) are set out in the prescribed requirements regulations.

We reserve the right to update the non-dependent deductions annually in line with inflation (Consumer Price Index or CPI) to a maximum of 10%. The non-dependant deductions for working age (Class 3) are set out in appendix A1.

5. Exceptions to the Regulations

This scheme proposes that the principles and methods set out in the Regulations be used to determine CTS, except where amendments are set out in this scheme or by statute under the Local Government Finance Act 1992 (as amended) and accompanying legislation.

The exceptions to these Regulations (or clarifications) are set out below:

5.1 Information and evidence

The Council may accept any information or evidence that it sees fit to support a claim for CTS and may receive this in any way that it sees fit. As a guide, it shall publish what is expected on the Council's website. If all the information or evidence it needs is not submitted, the Council shall seek to make contact with the claimant once to obtain this. If the claimant does not reply or provide the information required within one month of the first contact made with or by the Council in relation to the application, the Council may decide to treat the claim as incomplete and refuse the CTS application. The Council may extend the one-month time limit if it thinks it is reasonable to give more time but, in any case, this shall not be extended beyond 3 months after the date of the first contact made with or by the Council in relation to the application.

5.2 Treatment of income

For the purpose of making an assessment under the CTS scheme, all income shall be treated in accordance with the Regulations. However, from time to time the Government may reform welfare benefits and introduce new benefits or replace them with equivalent benefits of a different name. Under the Regulations, some prescribed income is disregarded, some prescribed income has an impact on the premiums that can be applied to a person's applicable amount, and some prescribed income has an impact on the level of a non-dependant deduction(s) to be applied. In addition to this, some prescribed income passports a person to full entitlement to CTB, albeit

subject to certain deductions such as a non-dependant deduction.

It is the intention of the Council for the CTS scheme, that where such income is replaced by the Government by an equivalent benefit or where new benefits are introduced, that these changes should be applied at the same time to CTS (or as soon as practicable thereafter) and attract the appropriate and equivalent income disregard, premium for the applicable amount and non-dependant deduction. It is also the intention to continue to passport an equivalent benefit to full entitlement to notional CTB to allow the CTS to be calculated.

To achieve this, when a new welfare benefit (income) is introduced by Government, the Council shall decide for the purposes of applying the Regulations:

- whether it should be disregarded; and/or
- the premium (if any) that it should attract; and/or
- the non-dependant deduction that should apply (if any); and/or
- whether it should be treated as income that would passport a person to full notional CTB entitlement.

Once the Council has decided how changes to other welfare benefits shall be treated for the purposes of applying the Regulations, the Council shall publish this detail on the Council website prior to the commencement of this new welfare benefit or as soon as practicable thereafter. Any changes will be summarised in Appendix A1.

The Regulations currently afford the Council the discretion to disregard war widows pension and war disablement allowance. The Council will continue to disregard this income for the purposes of assessing CTS.

Any payment from Islington Council through the Support Payment Scheme to non-recent child abuse survivors will be disregarded as both income and capital.

Universal Credit income will be treated in accordance with the Regulations and The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012.

5.3 National changes to premiums, allowances, applicable amounts, disregards and deductions (the components)

For the purpose of making an assessment under the CTS scheme, all the components shall be treated in accordance with the Regulations. However, from time to time the Government may reform welfare benefits and:

- introduce a new component;
- change the value of an existing component; or
- change the basis on which an existing component can be applied.

Where this happens, the Council will have the option immediately to make a change to the CTS scheme based on the treatment of a similar component in an equivalent national scheme. An equivalent national scheme means either the provisions that form the basis for assessment under Class 1 or the Housing Benefit General Regulations 1987 (as amended).

The Council shall determine how changes to the components in an equivalent national scheme will be treated for the purposes of assessing an award under Class 3, including the date that any change will take effect. The Council shall publish this detail on the Council website prior to the commencement of these changes or as soon as practicable thereafter. Changes published in

previous years are summarised in Appendix A1.

From time to time, the components and some income will be subject to uprating by the government to reflect changes in the consumer price index. This scheme provides that the Council shall uprate all the components and income in accordance with the Government's uprating of the same or equivalent components (as identified by the Council) in the equivalent national scheme.

5.4 Payment of Council Tax Support for two homes

The criteria for the award of Council Tax Support on two homes applies only in the following circumstances:

- Moved out of the home because of violence or fear of violence, council tax support can be paid for both homes, if intention to return home, for a period of up to 52 weeks.
- Awaiting disability adaptions on new home and unable to move in until these are carried out up to 4 weeks.
- Moved out within the last 4 weeks and still have to pay rent on old home (for council tax support this would be one day).

5.5 Decisions and notifications of decisions

The Council shall make a decision on a claim within a reasonable timescale after receiving all required information and evidence. In order to inform a claimant of the decision, the Council shall send them a revised council tax bill showing the amount and period of the CTS award. The bill itself shall be formal notification of the CTS decision unless CTS is not awarded as a result of us deciding to treat the claim as incomplete or the person does not qualify for CTS, in which case a letter will be issued to the claimant. Claimants may request a statement of reasons to explain how the award was calculated. The council tax bill shall include a person's appeal rights, how they can request a statement of reasons and details of how to apply for further discretionary help from the Council Tax Welfare provision in the Resident Support Scheme. The claimant can elect to receive their bill by post or by using Islington's web portal 'My eAccount', also known as e-billing. For the avoidance of doubt, the requirements in the Regulations to notify a person of their CTB entitlement in a manner and including detail prescribed by those Regulations shall be revoked for the purposes of the CTS scheme.

5.6 How CTS will be paid

All CTS will be 'paid' by crediting the amount of CTS against the claimant's council tax liability to reduce the bill. Should a bill that attracts a council tax reduction be in credit at the point that a council tax liability is ended, the Council may use that credit to reduce any other sum that is owed to the Council by that person.

5.7 Changes of circumstances

The recipient of CTS or their appointee must notify the Council of any change to their household circumstances, income or capital that may affect the amount of CTS they are entitled to. Any change of circumstances must be reported within one calendar month of the change happening. Any change can be reported to Islington Council by telephone, email, via website or in writing. Supporting information may be required. Each material change shall result in a recalculation of CTS entitlement and a revised bill if appropriate.

A process for reviewing current CTS entitlement may be implemented by the Council. CTS may be reviewed at any time after its commencement. Failure of the claimant to fulfil any reasonable request made by the Council during a review of their CTS award shall result in the termination of that CTS award from the commencement date of the review.

5.8 Appeals

If the claimant disagrees with the CTS award or non-award following a claim, they can request that the Council looks at this again (this is known as an application for revision). They must do this within one month of the date of the council tax bill that shows the amount and period of their CTS or within one month of the date of their CTS non-qualification letter. If an appeal made by the same claimant about a housing benefit decision would also impact on CTS, the Council may also treat this as an appeal against CTS if it is made within one month of the date of the council tax bill that shows the amount and period of their CTS. The Council shall check if the decision is correct and inform the claimant of its decision in writing. If, the Council believes that its decision is correct or the claimant does not receive a response from the Council within 2 months, the claimant has another 2 months to appeal to the Valuation Tribunal where a final decision can be made. Any appeal against a decision regarding CTS will not mean that payments of council tax may be withheld. Payments must be made as they fall due and if an appeal is successful any additional CTS award shall be credited against the claimant's council tax liability at that time as directed.

5.9 Excess Benefit

Regulation 82 and 83 of the CTB Regulations 2006 will not apply to this scheme. If following a recalculation of the entitlement to Council Tax Support, regardless of the cause for the need for that recalculation, if the chargeable amount of the council tax bill is greater than the previous notification, the council can bill the taxpayer for the difference. Payments must be made as they fall due.

6. General Provisions

6.1 Council Tax Welfare Provision

There is a welfare scheme available for council tax payers receiving CTS experiencing exceptional hardship. This is part of the Resident Support Scheme and the procedure for application is contained within the detail of the Resident Support Scheme approved by the Council's Executive.

6.2 Fraud

The Council will investigate any case where it has reason to believe that an amount of CTS has been awarded as a result of a claim which is fraudulent in any respect. This will include any incidence of a claimant not notifying the Council of any change in household circumstances, income or capital that results in a higher reduction under the CTS scheme than a person is due.

6.3 Consultation

The Council recognises its legal duty to consult should there be future changes to the scheme. However, from time to time the council will need to make minor changes to the practice and operation of the scheme and, should these occur, we will consult by way of publishing a notice on

the Council's website during the last 2 weeks of January of the year that immediately precedes the new council tax year to which the CTS shall apply. A consultee shall then have until 31 January of that same year to respond to this notice. The Council officers delegated to operate the scheme will give due regard to this response.

6.4 Delegation

The Council shall delegate the operation of this scheme to the Corporate Director of Community Wealth Building who will designate the appropriate officers to undertake this role. Currently, these officers are all based in the Community Financial Resilience Directorate of the Council's Community Wealth Building Department.

6.5 CTS Scheme Agreement

The CTS Scheme will be reviewed annually and subject to further agreement at Full Council prior to 11 March each year.

Appendix A1

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1. Changes to the Council Tax Support scheme

This document details changes made to the London Borough of Islington's Council Tax Support scheme published on the council website in accordance with 4.2 of the scheme.

https://www.islington.gov.uk/benefits-and-support/council-tax-support

1.1 Temporary absence outside of Great Britain

From 15 January 2017, the rules about getting Council Tax Support if a claimant goes abroad have changed to bring them in line with the changes in Housing Benefit rules to mirror the amendments to the Housing Benefit Regulations 2006 as outlined in The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016.

1.2 Restrictions on the amounts for children and qualifying young persons

From 1 April 2017, the number of personal allowances, which can be included in the applicable amount for Council Tax Support in respect of children and qualifying young people, will be limited to no more than two children. This is in line with the Child Tax Credit restrictions announced in the Summer Budget of 2015, which in turn affect the applicable amounts for Housing Benefits as outlined in The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017.

1.3 Non-dependant deductions Working Age

Non-dependant circumstances	Deduction
Aged 18 or over.	£7.63
Aged 18 or over and in receipt of Income Support, income-based Jobseekers Allowance, income-related Employment Support Allowance, Universal Credit with no earnings or Pension Credit Guarantee Credit.	Nil