

# London Borough of Islington

## Council Tax Support Scheme

Draft for approval by Council on 3 December 2015

Appendix A to the report on the Council Tax Support  
scheme 2016/17



# 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 between 12 October and 30 November 2012;
- the Equality Impact Assessment made in relation to the scheme and the consultation exercise and the subsequent Resident Impact Assessments;
- consideration and decisions made by the 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 four 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 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. These will hereafter be known as the Regulations and these Regulations set out how CTB is claimed, how it is calculated and how it is 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. 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 4 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 have 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 1st April 2015 **[delete 2015] [insert 2016]** aged 65 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, shall be entitled to a council tax reduction based on that notional CTB entitlement less 8.5%.

**Class 4** – A person or persons entitled to a council tax reduction under Class 3 shall be entitled to a cash back reduction of £15 if the balance on their council tax account is £15 or less as at 1st February 2016 **[delete 2016] [insert 2017]** or the cash back reduction will be £15 if they are paying by direct debit as at 1<sup>st</sup> February 2016 **[delete 2016] [insert 2017]** and they have a live account with a balance that will be £Nil by 31 March 2016 **[delete 2016] [insert 2017]** if the scheduled instalments are paid. For both reductions the person or persons must have had a continuous council tax liability from 1 October 2015 **[delete 2015] [insert 2016]** or before and must have a £NIL balance owing for any previous address.

### **4.2 Making changes to the dates for the classes of reduction**

For Classes 2, 3 and 4 the Council may substitute any of the dates provided with a date or dates of its choosing. This will enable the scheme to continue into future years. Any changes to dates shall be published on the website on 31 January 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 on 31 January of the year that immediately precedes the new council tax year to which the CTS shall apply.

For Class 3 the Council may substitute 8.5% with any amount it chooses but capped at 25%. Should a change be made for a future council tax year this shall be published on the website on 31 January of the year that immediately precedes the new council tax year to which the CTS shall apply.

For Class 4 the Council may substitute the values (currently £15 for both methods of payment stated) with any amount or amounts it chooses, including £NIL. Should a change be made for a future council tax year this shall be published on the website on 31 January of the year that immediately precedes the new council tax year to which the CTS shall apply.

#### **4.4 Administering the reduction**

For all Classes, other than class 4, the reduction shall be made to the council tax liability in the council tax year that the CTS applies.

For Class 4 the Council can administer this by including it as a reduction from the council tax liability for the following council tax year. However if this happens, the reduction shall be treated as having been made to the council tax liability in the same council tax year that the CTS applies. For the avoidance of doubt, it shall not be paid directly to the person or persons with a council tax liability.

### **5. Exceptions to the Regulations**

This scheme proposes that the principals 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 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 council tax reduction to be calculated under the CTS.

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.

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.

### **5.3 Uprating of premiums, allowances, disregards and deductions (the components)**

Uprating means an increase in the value of the components that are used to make an assessment under the Regulations from one council tax year to another. This scheme provides that the Council shall uprate all the components for the year to which the CTS applies in accordance with the Government's calculation for uprating these generally for all welfare benefits for that year. For the avoidance of doubt, once the uprating has taken place, for future years the latest uprated amounts shall be the subject of future uprating.

### **5.4 Decisions and notifications of decisions**

The Council shall make a decision on a claim within a reasonable timescale of 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 these Regulations shall be revoked for the purposes of the CTS scheme.

### **5.5 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.

### **5.6 Changes of circumstances**

The recipient of CTS or his 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, fax, 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.

## **5.7 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 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.

## **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. This will be administered jointly by the Council and Cripplegate.

### **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 month 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 Finance and he will designate the appropriate officers to undertake this role. Currently these officers are all placed in the Financial Operations and Customer Services Directorate of the Council's Finance Department.

## **6.5 The Applicable Regulations**

The Regulations in force shall be those Regulations (as amended) that are in force the day prior to the commencement of the CTS Scheme on 1 April 2013