

CTS Scheme for 2017/18

**Derby City Council
Council Tax Support Scheme
2017/2018**

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Derby City Council Council Tax Support Scheme 2017/2018

1. Introduction

This document sets out the Council's legal position with regard to the Council's Council Tax Support (CTS) Scheme for 2017/2018, for working age households.

The Government prescribed a national scheme for pensioner households from 1 April 2013. This means that pensioners are not affected by the Council's CTS Scheme. The prescribed scheme for pensioners is therefore not included in this document.

2. Council Tax Support Scheme: Law and legal context

The Scheme explained here is the CTS Scheme for Derby City Council in its capacity as a Billing Authority, under Section 13A (1) (a) of the Local Government Finance Act 1992 (as amended by section 10 of the Local Government Finance Act 2012).

This revised CTS Scheme applies from 1st April 2017.

The Council's CTS Scheme is subject to the Council's duties for local welfare support under provisions including:

- The Welfare Reform Act 2012;
- The Localism Act 2011;
- The Equalities Act 2010;
- The Local Government Finance Act 1992 and 2012;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 SI 2012/2885 (as amended);
- Other legislation in relation to Vulnerable Groups including but not limited to the Child Poverty Act 2010;
- The Social Security Contributions and Benefits Act, 1992 and the Social Security Administration Act 1992;
- Data Protection Act 1998;
- The Housing Benefit Regulations 2006 (The HB Regulations)
- The Council Tax Reduction Schemes (Default Scheme)(England) Regulations 2012 (The Default Scheme)
- The Welfare Reform and Work Act 2016

In addition to the above requirements, the Council also takes account of guidance and advice which has been published by the Department of Communities and Local Government, and which includes:

- Localising support for Council Tax taking work incentives into account;
- Localising support for Council Tax Vulnerable People- key local authority duties;
- Localising support for Council Tax - A statement of intent;
- Localising support for Council Tax - Funding arrangements consultation.

Please refer to useful information section at **Appendix A**.

3. The Council's CTS Scheme: Maximum entitlement

The Council's CTS Scheme is a means-tested discount calculated within the framework of means-testing provided by the Government's Default Scheme. Unless otherwise provided for by the Council's CTS Scheme, or by the provisions above including the Local Government Finance Act, the rules which apply under the Default Scheme calculation apply for the Council's administration and calculation of CTS, including but not limited to:

- the eligible person;
- the time and manner of claim;
- the calculation and determination of income, including Universal Credit and Personal Independence Payments;
- the calculation and determination of capital;
- extended payment of benefit;
- benefit periods;
- treatment of passported claims;
- the value and application of tapers;
- the value and application of disregards;
- the value and application of the Family Premium;
- changes in entitlement;
- change of circumstance;
- the calculation and recovery of overpayments;
- the management and administration of fraud and error;
- the management and administration of subsidy and reporting;
- other matters under the calculation, determination, payment and recovery of Council Tax Support.

The Council's CTS Scheme will apply a maximum eligible amount of Council Tax and will apply this to all applicants for CTS. The maximum amount of CTS which may be awarded under the CTS Scheme will be:

1. Capped at the yearly rate of a Band A property charge due under the Local Government Finance Act 1992.
2. The maximum amount of Council Tax which is eligible for the CTS Scheme and which may be the maximum award under this Scheme is set at a percentage of the total Council Tax due as calculated at (1) above. The minimum contribution that all CTS claimants have to pay towards their Council Tax is 30%, unless transitional protection relating to the minimum contribution applies.
3. Transitional protection relating to the minimum contribution level applies for a CTS claimant where a person in their household has a disability. This applies only where there is a level of disability and disability income is awarded, which means that a disability premium, severe disability premium, enhanced

disability premium and disabled child premium is allowed when calculating CTS entitlement. In this instance the minimum contribution that the CTS claimant has to pay towards their Council Tax is 27.5%.

4. The Council's CTS Scheme: other determinations

The Council's CTS Scheme additionally makes provisions in relation to the award of support in the following circumstances:

1. The amount of capital held. The Council's CTS Scheme sets a limit of capital to be held of £6000.00. Capital includes money, savings, investments, and property. Capital held in excess of the capital limit means that no CTS can be awarded.
2. The value and application of premiums and allowances (applicable amounts) to be used in the CTS calculation are those set out in the HB Scheme, unless stated otherwise in the CTS Scheme. With regard to this, the CTS Scheme uses the Default Scheme rules and amounts to determine the value and application of the Family Premium.
3. The rules and deductions rates for the treatment of non-dependents. The Council aligns these to the HB Scheme as closely as possible from now on. This means that the same rules and deduction rates will be used for both the Council's CTS Scheme and the HB Scheme at all times, with the following exceptions:
 - (a) The CTS Scheme does not use the two highest non-dependent deduction rates in the HB Scheme;
 - (b) Where a non-dependent is working and receives less than £100.00 a week gross income, including those on a passport benefit or receiving Universal Credit (UC) and not working, a standard weekly deduction of £4.00 is made from the claimant's CTS entitlement.

There will be no further consultation about this if the Government changes these HB rules and deductions in the future.

4. Backdating. The CTS Scheme is aligned to the HB Scheme for rules relating to backdating from now on. This currently means that the CTS Scheme allows CTS claims to be backdated for up to a maximum of one month from the date of claim.

There will be no further consultation about this if the Government changes these HB rules in the future.

5. Second Adult Rebate. The Council's CTS Scheme makes no provision for the award of Second Adult rebate.

6. Minimum weekly award. The CTS Scheme specifies a minimum weekly award of support of £4.00 per week. In the event that the calculation of award shows that the award will be less than £4.00 per week, then under the Council's Scheme no award of CTS will be payable.
7. Temporary absence rules. The CTS Scheme is aligned to the HB Scheme for rules relating to temporary absence rules for those who are temporarily absent from their sole or main residence because they have left Great Britain, from now on. There will be no further consultation about this if the Government changes these HB rules in the future. For absences within Great Britain, the Scheme remains aligned to the Default Scheme.

5. Vulnerable People

The Council may, or may not determine households' particular needs within the Council's CTS Scheme and be set by references to factors including but not limited to the overall costs of the Scheme and Scheme affordability.

Within the Council's CTS Scheme, consideration for "Vulnerable People" will be provided by continuing to disregard certain types of income within the calculation of awards, including Child Benefit; Disability Living Allowance; Personal Independence Payments and War Widows Pensions/disablement benefits; and separately by continuing the allowances within the calculation for Carers.

Assessed income and needs will be in accordance with the Default Scheme Regulations, in conjunction with the Council's CTS Scheme, affording consideration to particular vulnerable households and families. Additionally the Council will continue to provide for the extension of the local scheme for war widows and war disablement payments.

The Council's CTS Scheme will provide the rules by which people are to be considered within this paragraph, which may include their qualification for identified benefits; their domestic circumstances; their qualification for compensation payments; or otherwise under the Council's CTS Scheme.

6. Transitional Protection

For a defined group of claimants, the CTS Scheme provides transitional protection from the full rate of minimum contribution required from all other claimants. The arrangements for this are set out in section 3 and will end on 31 March 2018.

7. Claims for CTS

Claimants in receipt of CTS immediately prior to 1 April 2017 are automatically subject to the amended CTS Scheme from 1 April 2017. These claimants do not need to make new claims when the Scheme changes; instead their CTS entitlement is re-calculated, where necessary, using the terms of the amended Scheme, with effect from 1 April 2017.

Where a claim has been made for CTS prior to 1st April 2017 and has not been determined by the date that the amended Scheme becomes effective (1 April 2017),

the Council will assess the claim using the relevant version of the Scheme in operation during the period the claimant is claiming for. This means that CTS entitlement will be calculated using the original version of the Scheme for any period up to and including 31 March 2017, and will then be automatically re-calculated using the amended version of the Scheme from 1 April 2017.

A person may apply for Council Tax Support in the following ways;

- Online by using the application form at <https://directtoyou.derby.gov.uk/>
- A relevant application via the Department for Work and Pensions for support.

Any application made through these channels (detailed above) or through other channels made available may be subject to risk based verification using third parties and additional validation, as required by the Council, to confirm entitlement and to calculate the amount of CTS due.

The Council shall not determine entitlement where a claim is incomplete until all relevant information is provided. This information must be provided by the claimant within one month of any request from the Council. This period may be extended if the Council determines the circumstances to be reasonable.

Failure to provide the requested information for a new claim in accordance with Paragraphs 110 (5) & 113 (4) of Schedule of The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 may result in the Council (the Billing Authority) being unable to award any Council Tax Support.

If there is a change in circumstances, it is the claimant's responsibility to report all changes to the Benefits Service. The Council (the Billing Authority) may have to suspend the CTS claim whilst we collect the required information/evidence. Following the suspension, failure to provide the requested information/evidence for the change in circumstances in accordance with Paragraph 113 (4) of Schedule of The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 may result in the Council (the Billing Authority) terminating the CTS claim.

A claim for support may be amended or withdrawn by the claimant, in writing, at any time prior to the Council making a decision regarding entitlement.

For Universal Credit (UC) claimants:

- A new Council Tax Support claim is not required where the UC claimant has already had a decision from the Council that they do not qualify for Council Tax Support, and also had a decision from the Department for Work and Pensions (DWP) that their UC entitlement is nil, but they then become entitled to UC again during the six month period that their UC claim remains open.
- A new Council Tax Support claim is required where the UC claimant makes a new UC claim and wants to make a new claim for Council Tax Support.

8. Payment and overpayments

Payments and overpayments of CTS reflect the Default Scheme Regulations. A Council Tax payer's bill is reduced by way of a credit or increased by way of a debit for the amount of CTS granted or withdrawn depending on the circumstances.

9. Appeals

A claimant may appeal under Section 16 of the Local Government Finance Act 1992 against the Council's decision regarding their eligibility for, or entitlement to support. In the first instance this should be by writing to the Council at the appropriate address which can be found at www.derby.gov.uk to request that their decision be reconsidered. The Council will then reconsider its decision and notify the claimant of its considerations and reasons for its decision within two months.

If the reconsideration request is unsuccessful, the claimant can request an appeal direct to the Valuation Tribunal Service at the appropriate address which can be found at www.valuationtribunal.gov.uk for an independent review of their appeal by the Valuation Tribunal for England. This request must be made within two months of the unsuccessful reconsideration decision by the Billing Authority.

If the Council has not replied to a reconsideration request within two months, a claimant can appeal direct to the Valuation Tribunal Service providing not more than four months have passed since the claimant wrote to the Council asking them to reconsider their decision. The Council's CTS itself, as set by the Council, shall not be subject to appeal under these arrangements.

10. General Up-rating

Any figures set out in the Council's CTS Scheme may be up-rated, to take effect from 1 April every year. The amount of up-rating will be determined by the Council and will link closely to other welfare benefit changes. This may be linked to the consumer price index, retail price index of inflation set in the preceding September or by another rate determined with reference to provisions made for Housing Benefit and Universal Credit.

Notification of up-rating will be published on the Council's website as soon as practicable.

11. Further Reductions

Applications in writing can be made by the Council Tax payer to the Head of Revenues, Benefits and Exchequer Services where exceptional and demonstrable hardship is caused. This discretionary reduction is under Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended).

12. Appendices

Appendix A: Useful information

Appendix A

This section sets out some useful web-sites and links to websites where you can find more detailed information about both the regulatory framework and the guidance issued to local authorities:

- The Department for Local Government and Communities
<http://www.communities.gov.uk/>
 - The Welfare Reform Act 2012;
<http://www.legislation.gov.uk/ukpga/2012/5/contents>
 - The Localism Act 2011; <http://www.legislation.gov.uk/ukpga/2011/20/contents>
 - The Equalities Act 2010;
<http://www.legislation.gov.uk/ukpga/2010/15/contents>
 - The Local Government Finance Act 1992;
<http://www.legislation.gov.uk/ukpga/1992/14/contents>
 - The Local Government Finance Act 2012;
<http://www.legislation.gov.uk/ukpga/2012/17/contents/enacted>
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
<http://www.legislation.gov.uk/uksi/2012/2885/contents/made>
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendments) Regulations 2013;
<http://www.legislation.gov.uk/uksi/2013/3181/contents/made>
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendments) Regulations 2014
<http://www.legislation.gov.uk/uksi/2014/448/contents/made>
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
<http://www.legislation.gov.uk/uksi/2014/3312/contents/made>
 - The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012;
<http://www.legislation.gov.uk/uksi/2012/2886/contents/made>

- Other legislation in relation to Vulnerable Groups including but not limited to the Child Poverty Act 2010;
<http://www.legislation.gov.uk/ukpga/2010/9/contents> (Child Poverty Act 2010)

<http://www.legislation.gov.uk/ukpga/1996/52/contents> (Housing Act 1996)

<http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/PersonnelPublications/Welfare/ArmedForcesCovenant/TheArmedForcesCovenantDocuments.htm>
 (Armed Forces Covenant)
- The Social Security Contributions and Benefits Act, 1992;
<http://www.legislation.gov.uk/ukpga/1992/4/contents/enacted>
- The Social Security Administration Act 1992;
<http://www.legislation.gov.uk/ukpga/1992/5/contents/enacted>
- Data Protection Act 1998;
<http://www.legislation.gov.uk/ukpga/1998/29/contents>
- <http://www.legislation.gov.uk/uksi/2012/1483/contents/made> (Social Security (Information sharing in relation to Welfare Services etc.) Regulations 2012)
- <http://www.legislation.gov.uk/ukpga/2012/5/part/5/crossheading/information-sharing-involving-local-authorities-etc> (Welfare Reform Act 2012 sections 130-133)
- The Housing Benefit Regulations 2006 (The HB Regulations)
<http://www.legislation.gov.uk/uksi/2006/213/contents/made>
- The Council Tax Reduction Schemes (Default Scheme)(England) Regulations 2012 (The Default Scheme)
<http://www.legislation.gov.uk/uksi/2012/2886/contents/made>
- The Welfare Reform and Work Act 2016
<http://www.legislation.gov.uk/ukpga/2016/7/contents/enacted/data.htm>