

FAREHAM

BOROUGH COUNCIL

Council Tax Support Scheme Summary 2019/20

(S13A and Schedule 1a of the Local Government Finance Act 1992)

Introduction

Since 1 April 2013 local authorities in England have been responsible for administering their own Council Tax Support Schemes subject to the “*Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended)*”.

This document summarises Fareham Borough Council's Council Tax Support Scheme for the financial year 1 April 2019 to 31 March 2020.

Council Tax Support helps people on low incomes with the cost of their council tax. The rules about how we work out entitlement to Council Tax Support are different, depending on whether you are of working age or of pensionable age.

Pensioners

When we talk about pensionable age customers we mean someone who:

- Has reached the qualifying age for state pension credit, and
- They, or their partner if they have one, do not receive Income Support, Income-based Jobseekers Allowance, Income-related Employment & Support Allowance or Universal Credit.

It is a legislative requirement that those of pensionable age have their Council Tax Support assessed under a national framework therefore all the features set out in section 1 of this summary document have been determined by the government.

If a person receives a war pension, the regulations state that the local authority must disregard a certain amount of that income when calculating Council Tax Support. However, the regulations also allow local authorities to increase the amount that is disregarded if they so wish. We have always disregarded the full amount of war pension income from the calculation of Council Tax Support and will continue to do so in this year's scheme.

Working Age

When we talk about working age customers we mean someone who:

- Has not yet reached the qualifying age for state pension credit, or
- Has reached the qualifying age for state pension credit but they, or their partner if they have one, receive Income Support, Income-based Jobseekers Allowance, Income-related Employment & Support Allowance or Universal Credit.

All the features set out in section 2 of this scheme have been determined by Fareham Borough Council and adhere to the requirements and restrictions set out by the government.

Section 1: The Council Tax Support Scheme for Pensioners (persons who have reached the age at which State Pension Credit can be claimed)

The government has created three classes to determine the level of Council Tax Support that can be provided:

Class A

The person must:

- be liable to pay council tax in respect of a dwelling in which they are resident;
- must have their assessed income less than or equal to the set living allowances (applicable amount) set by government; and
- have made a valid application for support.

(This class also includes persons who receive Guarantee Pension Credit.)

Class B

The person must:

- be liable to pay council tax in respect of a dwelling in which they are resident;
- not have capital above £16,000;
- have assessed income above the living allowances (applicable amount) set by government; and
- have made a valid application for support.

Class C

The person must:

- be liable to pay council tax in respect of a dwelling in which they are resident;
- be somebody who has at least one second adult living with them who is not his/ her partner, not somebody who pays rent, and who is on a prescribed low wage and/or prescribed benefit, as set by government; and
- have made a valid application for support.

What Council Tax Support will be payable to Pensioners?

If you match the criteria in Class A you will qualify for 100% reduction on your council tax liability, minus any reductions due to other adults living in your property (see the section on 'non-dependants' further in this document for more information).

If you match the criteria in Class B then twenty per cent of the difference between your income and living allowance (see the section on 'calculating your needs' further in this document for more information) will be subtracted from your council tax liability, minus any reductions due to other adults living in your property (see the section on 'non-dependants' further in this document for more information).

If you match the criteria in Class C, then you may be awarded Second Adult Rebate. The assessment of this rebate is based on the income of the other adult/s who live in your property.

Section 2: The Council Tax Support Scheme for Working Age persons

The Council has created two classes to determine the level of Council Tax Support that can be provided:

Class D

The person must:

- be liable to pay council tax in respect of a dwelling in which they are resident;
- not have capital above £16,000;
- have assessed income which is less than or equal to their living allowances (applicable amount); and
- have made a valid claim for support.

(This class also includes persons who receive Income Support, Income-based Jobseekers allowance or Income-related Employment & Support Allowance).

Class E

The person must:

- be liable to pay Council Tax in respect of a dwelling in which they are solely or mainly resident;
- not have capital savings above £16,000;
- have assessed income which is above their living allowances (applicable amount); and
- have made a valid claim for support;

What Council Tax Support will be payable to a working age person?

Most working age customers will have their entitlement to Council Tax Support based on 80% of their council tax liability, capped at the amount equivalent to a Band C property. If a person matches the criteria in Class D, they will qualify for maximum support (80% reduction, capped at a Band C), minus any reductions due to other adults living in the property (see the section on 'non-dependants' further in this document for more information).

If a person matches the criteria in Class E, twenty per cent of the difference between their income and applicable amount will be subtracted from the maximum council tax liability allowed. The maximum council tax liability is 80% of council tax the person is liable to pay (less any non dependant deductions) and this 80% support will also be capped to a Band C property.

Vulnerable Groups

Whilst most working age customers will have their entitlement to Council Tax Support based on 80% of their council tax liability, capped at a Band C, one of the key principles of Fareham Borough Council's Council Tax Support Scheme is to support the most vulnerable members of our borough.

Therefore if a customer, or their partner if they have one, receives a Severe Disability Premium or an Enhanced Disability Premium within either their Council Tax Support, Income Support, income-based Jobseekers Allowance or income-related Employment & Support Allowance, or receives the "Limited Capability for work and work related activity" element in their Universal Credit or is in receipt of a war disablement pension, a war widow's pension or war widower's pension, or Armed Forces Independence Payment, or is a Care Leaver their Council Tax Support will be based on a maximum council tax liability of 100% of council tax the person is liable to pay (less any non dependant deductions). There is no restriction on the amount of support given if the property's council tax band is above a Band C.

Section 3: How Council Tax Support works

Who can apply?

Eligibility for Council Tax Support for working-age claimants is set out in Fareham Borough Council's full Council Tax Support scheme rules. A copy of this is available on our website. The regulations relating to Council Tax Support for pension-age claimants can be found on a government website www.legislation.gov.uk. People wishing to claim must be at least 18 years old, liable to pay council tax and the property must be their sole or main residence. Those not eligible to claim will include those not liable to pay council tax, customers with savings of £16,000 or more and most students.

You can only get support if you have a right to reside (subject to certain exemptions) and are habitually resident in the United Kingdom (UK). If you have entered the UK within the 2 years before your claim for benefit, we will ask you about this.

People given refugee status, humanitarian protection or exceptional leave to remain in the UK will be eligible to apply for support.

How to claim

Claims for Council Tax Support can be made in person at the Civic Offices or by telephone.

All claims will need to be supported by evidence of your circumstances and this will need to be provided to us.

Start of Council Tax Support

In general, entitlement to Council Tax Support will be assessed from the Monday following the date you first contact us to make a claim.

We may be able to pay Council Tax Support from an earlier date if there has been a good reason why you delayed making your claim. The maximum time we can go back is 1 month from the date your claim for backdating was actually made. You must show there was 'good cause' for not making an earlier claim throughout the whole of any period you want backdated up to the date your claim for backdating was made.

End of Council Tax Support

If you stop being liable for Council Tax, for example if you move away from an address or become exempt, your Council Tax Support stops on the day you stop being liable. If you no longer qualify for Council Tax Support because, for example, your income increases, your Council Tax Support will be stopped from the beginning of the next week. In most circumstances, your Council Tax Support will stop if you stay outside of Great Britain for more than four weeks even if you intend to return to your home.

How much Council Tax Support can be awarded?

Maximum Council Tax Support depends on:

- Whether you are in the Pension Age scheme or are in the Working Age scheme;
- How much council tax you have to pay; and
- Who you live with.

Calculating your needs (living allowance or applicable amount)

Your needs are known as your living allowance or applicable amount and this is an amount that is set each year. For the Pension Age scheme this is set and approved by Parliament. For the Working Age scheme this is set by the Council and is based on the allowances set by the government for other working age benefits. Your applicable amount takes into account the size of your family, your age and extra needs you may have. It is made up of personal allowances and premiums. Premiums are included if you have dependent children or a disability.

Calculating your income

Your overall income is made up of all the money you and your partner (if you have one) have coming in from earnings, welfare benefits, maintenance payments, pensions and other sources. Depending on the type of income, it may be completely or partially ignored in the calculation of your Council Tax Support or taken fully into account.

Calculating your capital

Your capital includes savings and investments held by yourself and your partner (if you have one) in any form (for example, bank and building society accounts, investment trusts, and shares) from any source (for example, inheritance, redundancy payments, and irregular payments from a charitable or voluntary source). It will normally also include the net sale value of land and housing that you own but do not occupy, after deducting 10% for expenses of sale.

Capital for Pension Age

The first £10,000 of capital is not counted. Capital over £10,000 up to £16,000 will be taken into account at £1 a week for each £500 (or part of £500) of capital over £10,000. Actual interest payments or dividends are not counted as income but as capital. If you have capital over £16,000, you may still be entitled to Second Adult Rebate, as your income and savings are not taken into account. However, the actual income received from the second adult's capital will be taken into account. For customers who receive the Guarantee Credit of Pension Credit there is no upper limit on the capital you can have.

Capital for Working Age

The first £6,000 of capital is not counted. Capital over £6,000 up to £16,000 will be taken into account at £1 a week for each £250 (or part of £250) of capital over £6,000

Non-dependants

Non-dependants are people like grown-up sons or daughters and other adult relatives. If you have non-dependants living with you, your Council Tax Support may be reduced. There are four levels of reduction that may apply. If the non-dependant is not working or working less than 16 hours a week, the lowest deduction will apply. If the non-dependant is doing paid work for 16 hours or more a week, the level of deduction will depend on the non-dependant's gross income.

A deduction will not be made from your Council Tax Support if:

- the non-dependants' normal home is somewhere else; or
- you, or your partner, are registered blind or treated as blind; or
- you, or your partner, are receiving the care component of Disability Living Allowance or Attendance Allowance in respect of yourself or your partner; or
- you, or your partner, are receiving the daily living component of Personal Independence Payment or you, or your partner are receiving an Armed Forces Independence Payment

How Council Tax Support is paid

If you are liable to pay the Council Tax, we will normally send you a Council Tax bill from which your Council Tax Support has already been deducted. You will then have to pay only the reduced amount. This means that you will not actually receive any money, but your Council Tax bill will be reduced.

If you disagree with the amount of Council Tax Support you have been awarded you will need to write to us stating the reasons. We have two months to reply to you. If we agree with your appeal then the Council Tax Support will be amended and you will receive another Council Tax bill showing the revised amount.

If we do not agree with your appeal or you do not receive a response within two months, you may appeal to the Valuation Tribunal Service (www.valuationtribunal.gov.uk). This is an independent and free service who will hear your case (either in person or in writing). If the Valuation Tribunal Service agrees with you they will instruct us to amend your Council Tax Support accordingly.

Changes of circumstances

You must notify us immediately if there is a change in anything that might affect your right to or the amount of Council Tax Support you receive.

This will include:

- where you live;
- who you live with;
- your income, savings and investments change;
- you stop getting Pension Credit, Income Support, income-based Jobseeker's Allowance, Universal Credit or Employment & Support Allowance;

- you have a change in your Income Support or Employment & Support Allowance which means you no longer receive the Severe or Enhanced Disability Premium amounts as part of your income;
- you have a change in your Universal Credit award that means you no longer receive the 'limited capability for work and work related activity' element;
- if you or your partner go into hospital;
- any other changes in your circumstances which might affect your right to Council Tax Support

Counter Fraud and Compliance

In order to protect the finances of the Council and also in the interests of all council tax payers, we will undertake such actions as allowed by law to;

- Prevent and detect fraudulent claims and actions in respect of Council Tax Support;
- Carry out investigations fairly, professionally and in accordance with the law; and
- Ensure that sanctions are applied in appropriate cases