

# **Council Tax Reduction Scheme**



# **Leicester City Council's Council Tax Reduction Scheme**

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# **Leicester City Council's Council Tax Reduction Scheme**

## **1. Introduction**

This document sets out a brief summary of the Council's new Council Tax Reduction Scheme. This largely follows the government's scheme but there are some changes for working age households.

The Government has prescribed a national scheme for pensioner households, which fully protects pensioners from the impact of transfer from Council Tax Benefit to Council Tax Reduction. The prescribed scheme for pensioners is included in the Council's Scheme.

## **2. Proposed scheme: Law and legal context**

The scheme explained here is the Council Tax Reduction (CTR) Scheme for Leicester City Council, in its capacity as the Billing Authority for Leicester City.

The CTR scheme applies from April 2013.

## **3. Overall provisions: Universal Credit**

From October 2013, the national implementation of Universal Credit begins. This is a new benefit to be paid by the Department for Work and Pensions (DWP) which will replace income support, housing benefit and a number of other benefits. Council Tax Benefit will no longer be available but local authorities will be able to provide Council Tax Reduction to local residents. The CTR Scheme may need to be changed in the future to take account of changes to Universal Credit and the benefits system.

## **4. The CTR Scheme: Maximum entitlement**

The CTR Scheme is in the form of a means-tested discount based on the Government's default scheme.

The CTR Scheme applies a maximum eligible amount of Council Tax. In other words, if your Council Tax bill is higher than the maximum eligible amount, the CTR awarded will be restricted to reduced liability used in the assessment of CTR, see below. (The restriction only applies to working age assessments). The maximum amount of Council Tax which may be awarded under the CTR will be limited in one or more of the following ways:

1. The maximum amount of Council Tax which is eligible for CTR and which may be the maximum award under the Council's CTR scheme is restricted to the amount of Council Tax due for the year for dwellings within Band B of the Council Tax calculations; and
2. The maximum amount of Council Tax which is eligible for CTR and which may be the maximum award under the Council's CTR scheme is set at a percentage of the total Council Tax due as calculated at (1) above. This amount is set at 80%.

## **5. The CTR Scheme: other determinations**

The CTR scheme additionally makes provisions in relation to the award of CTR in the following circumstances:

1. You will not be eligible for assistance under the Scheme if you have savings of £6,000 or over, or £16,000 if you are a pensioner.
2. Second adult rebate: there is no provision for a second adult rebate except in the case of pensioners.

3. An amount will be set each year for the minimum weekly award of CTR. This has been set at £3.55 and may change each year in line with government-set benefits deductions or the Consumer Price Index on 1<sup>st</sup> April of each consecutive year commencing 2013/14. This is determined by the lower rate third party deduction from a number of Social Security Benefits. This means that if the calculation of award shows that the award will be less than or equal to this amount no award of CTR under the Council's scheme will be payable.

## **6. Vulnerable People**

The CTR Scheme sets out provisions designed to ensure that the most vulnerable are given some relief. In addition the Council has a hardship fund and individuals may apply to the Council for relief under the hardship fund. The operation of this fund is at the discretion of the Council.

## **7. Claims for Council Tax Reduction**

If you are in receipt of Council Tax Benefit immediately before 1<sup>st</sup> April 2013 you will be treated as having made an application for CTR under the proposed scheme.

Where a claim has been made for Council Tax Benefit prior to 1<sup>st</sup> April 2013 and not yet decided, you will be treated as having made a claim for Council Tax Reduction under the proposed scheme.

You may apply for Council Tax Reduction in the following ways;

- In writing using the Council's application form
- On-line via the Council's website

Any application made through these channels (detailed above) may be subject to additional validation, as required by the Council, to confirm entitlement and to calculate the amount of Council Tax Reduction due.

The Council shall not decide entitlement where a claim is incomplete until all relevant information is provided. This information must be provided within one month of any written request from the Council. This period may be extended if the Council considers this to be reasonable in the circumstances.

A claim for support may be amended or withdrawn, in writing, at any time prior to the council making a decision about entitlement.

## **8. Payment and overpayments**

A council tax payer's bill will be reduced by way of a credit for the amount of Council Tax Reduction granted depending on the circumstances. In the event of an overpayment of Council Tax Reduction, then the amount of such overpayment will be added to the bill.

## **9. Appeals**

You may appeal against the council decision regarding your eligibility for, or entitlement to Reduction in the first instance by writing to the council to request that it looks at its decision again. The Council will reconsider and notify you of its considerations and reasons for its decision.

You can request a subsequent and independent review of your appeal by the Valuation Tribunal for England.

## **10. General Up-rating**

The figures set out in the proposed council tax Reduction scheme may be up-rated, to take effect 1<sup>st</sup> April every year. The amount of up-rating will be determined by the Council and will link as closely to other welfare benefit changes or may be linked to the consumer price index, of inflation set in the preceding September or by another rate determined with reference to provisions made for Universal Credit.

## **11. Appendices**

- a. Appendix A ~ Useful information
- b. Appendix B ~ [www.leicester.gov.uk/counciltaxreductionscheme](http://www.leicester.gov.uk/counciltaxreductionscheme)

## Appendix A

This section sets out some useful 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 Equality Act 2010; <http://www.legislation.gov.uk/ukpga/2010/15/contents>
- The Local Government Finance Bill;  
[http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0039/lbill\\_2012\\_20130039\\_en\\_1.htm](http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0039/lbill_2012_20130039_en_1.htm)
- Regulations laid under the appropriate provisions and governing the administration, design and implementation of CTR, including the proposed Council Tax Reduction Schemes (Prescribed Requirements) regulations;  
<http://www.communities.gov.uk/publications/localgovernment/draftprescribedreqsregs>

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 and the Social Security Administration Act 1992.

<http://www.legislation.gov.uk/ukpga/1992/4/contents/enacted>

<http://www.legislation.gov.uk/ukpga/1998/29/contents> (Data Protection Act 1998)

<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/informationsharing-involving-local-authorities-etc> (Welfare Reform Act 2012 sections 130-133)