

Barnet Council Tax Support Scheme

Effective 1 April 2015



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Glossary

Capital	Savings and capital.
Change of Circumstance	Any change of circumstances affecting entitlement to CTS, including but not limited to changes to income, liability, household members or residence that would affect entitlement to CTS.
Council Tax payer	Person liable to pay Council Tax on the property.
Council Tax Support (CTS)	The London Borough of Barnet's (Barnet) scheme.
Default scheme	The default scheme contained in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 SI 2886/2012.
Dispute	Where the CTS recipient disagrees with the amount of CTS awarded or the refusal to award CTS applicant.
Disregards	Deductions allowed against the income.
Excess Income	The amount the taxpayer's weekly income exceeds their applicable amount.
Extended Reduction	An amount awarded for a period after the applicant or their partner has started work or increased their hours of work and is therefore no longer entitled to a qualifying benefit or qualifying contributory benefit.
Income	Income from all sources not limited to earnings. Some income will be wholly or partly disregarded.
Interim award	Maximum liability from which non-dependent charges and the taper have been subtracted.
Maximum award	For working age claimants, the maximum award will be 80% of the interim award unless the claimant or their partner falls within a protected group.
Maximum liability	The maximum liability is the maximum band after any Council Tax discounts or band reductions awarded under the Local Government Finance Act 1992. For example Single person discounts or band reductions due to disability.
Overpayment	Any amount of CTS awarded to which the recipient is not entitled.

Pension Age	The age at which a person is eligible to claim State Pension Credit. Please note the age is changing to reflect the equalisation of pension ages between men and woman and the planned increase in retirement age.
Premium	An additional element forming part of the applicable amount relating to the individual or couple's circumstances.
Prescribed Requirements regulations	Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 SI 2885 2012.
Protected group	Groups listed in Appendix B to which the maximum award does not apply.
Taper	The rate at which CTS is withdrawn if the income including tariff income is greater than the applicable amount or living allowance.
Tariff income	Income generated by savings and capital between the lower and upper capital thresholds.
War Pensions	War Pensions, War Widows Pensions War Widowers Pensions, War Disablement Pensions and continuing payments from the armed forces compensation scheme.
Work	Employed or self-employed.
Working Age	The age below which a person or couple is eligible to claim State Pension Credit.
1992 Act	Local Government Finance Act 1992.

1- Introduction

The London Borough of Barnet's Council Tax Reduction Scheme is based on the default scheme and prescribed requirements regulations, except where the contrary is set out within the scheme. Definitions and detail from the regulations are not replicated in this document and the detail can be found by following the links below.

[Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) Regulations 2012 SI 2885/2012](#)

[Council Tax Reduction Schemes \(Default Scheme\) \(England\) Regulations 2012 SI 2886/2012](#)

[The Council Tax Reduction Schemes \(Prescribed Requirements and Default Scheme\) England\) \(Amendment\) Regulations 2012 SI 3085/2012](#)

[The Council Tax Reduction Scheme \(Prescribed Requirement\) \(England\) \(amendment\) Regulations 2013](#)

[The Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) \(Amendment\) Regulations 2014](#)

[The Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) \(Amendment\) \(No. 2\) Regulations 2014](#)

Barnet Councillors agreed to a clear set of principles offering incentives and protections to help deliver local priorities from which the draft scheme was constructed.

The principles are:

- A system based on fairness, with those with the ability to pay making a fair contribution.
- The scheme should incentivise work.
- Support for those in the most difficult circumstances.
- The most vulnerable should benefit from a level of protection.
- The scheme should be transparent and accessible.

The scheme for working age applicants has the following features:

- It will incentivise work by retaining the system of earned income disregards and child care disregards set out in the default scheme.
- Certain protected groups comprising those listed in Appendix B will not be affected by the maximum award restriction of 80%.
- Disability Living Allowance, War Pensions and Child Benefit will continue to be disregarded in the calculation.
- Second Adult Rebate will be abolished and Non-Dependent deductions will be simplified to 3 levels.

For working age claims, the weekly liability will be reduced by the Non-Dependant deduction. The the income including any tariff income following any disregards have been applied is then compared to the applicable amount.

Where the income is less than or equal to the applicable amount no taper reduction is made. This is the interim award.

Where the income is more than the applicable amount the eligible Council Tax is reduced by 20% of the difference between the income and applicable amount. This is the interim award

Once the interim award calculation has been made the maximum award is then adjusted to 80% of the interim award unless the claimant or partner is in a protected group. (Appendix B).

2 - Classes of Persons

2.1 Classes of persons excluded from the scheme

Classes of persons to be excluded from the scheme are as set out in the prescribed requirements regulations, including persons treated as not in Great Britain and persons subject to immigration control.

2.2 Classes of person entitled to a reduction under this scheme

Pensioners

Classes A-C Pensioners who fall within any of classes A to C in the prescribed requirements regulations.

Working age persons

Class D -Persons who are not pensioners whose income is less than the applicable amount and not in a protected group. Persons who are not in a protected group and who fall within class D as set out in the default scheme,

Class E – Persons who are not pensioners whose income is greater than the applicable amount and not in a protected group. Persons who are not in a protected group and who fall within class E as set out in the default scheme.

Class F – Persons who are not pensioners whose income is less than the applicable amount and are in a protected group. Persons who are in a protected group and who fall within class D as set out in the default scheme.

Class G – Persons who are not pensioners whose income is greater than the applicable amount and are in a protected group. Persons who are in a protected group and who fall within class E as set out in the default scheme.

3 - Applicable amounts: persons who are not pensioners who have an award of Universal Credit.

Awards of Universal Credit will be treated as follows;

Out of work with an award of Universal Credit analogous to Income Support, Income Based Jobseekers Allowance, or Income Related Employment and Support Allowance. The income and capital will be treated as zero and the applicable amount calculated in accordance with the default scheme as though the person applying was not in receipt of universal credit. They will then fall into class D or F as appropriate. In work and in receipt of Universal Credit analogous to a tax credit. The calculation of the applicable amount will be calculated in accordance with the default scheme as though the person applying was not in receipt of universal credit.

The income and capital will be calculated in accordance with the Barnet scheme (See Income and capital where there is an award of Universal Credit). They will then fall into class D to G depending upon their total.

4 - Maximum Council Tax Reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

4.1 Maximum Council Tax Reduction under this scheme: pensioners and persons who are not pensioners (class A to C,)

For classes A to C, the maximum Council Tax Reduction is as set out in regulation 29 of the default scheme.

4.2 Maximum Council Tax Reduction under this scheme: persons who are not pensioners and not in a protected group (class D and class E)

For classes D and E, the maximum Council Tax Reduction is as set out in regulation 29 of the default scheme, save that the non-dependant deductions will be as set out in this scheme. Appendix C., The actual amount of the award will be calculated in accordance with the paragraph Amount of reduction under the scheme.

4.3 Maximum Council Tax Reduction under this scheme: persons who are not pensioners and not in a protected group (class F and class G)

For classes F and G, the maximum Council Tax Reduction is as set out in regulation 29 of the default scheme, save that the non-dependant deductions will be as set out in this scheme. Appendix C

4.4 All Classes Applicable amounts, premiums and income disregards

For classes A, B C applicable amounts, premiums and income disregards will be the same as the prescribed scheme as amended except that Barnet will disregard all of a war pension or war widow(-er)'s pension or any continuing payments from the armed forces compensation scheme.

For classes D, E, F and G applicable amounts premiums and disregards will be the same as the default scheme except where they differ as set out in Appendix D, (Applicable Amounts) Appendix E (Premiums) and Appendix F (Disregards)

5 - Non-dependant deductions: pensioners and persons who are not pensioners

The non-dependant deductions for pensioners (classes A –C) are as set out in the prescribed requirements regulations

The non-dependant deductions for working age (classes D-G) from 01 April 2015 are as set out in the default scheme save that the deductions in respect of a day referred to above are as follows:

- a) in respect of a non-dependant aged 18 or over with income greater than or equal to £189.00 p.w. unless they fall into category (3), $£11.36 \times 1/7$;
- b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (1) or (3) does not apply, $£5.00 \times 1/7$
- c) zero if in receipt of Income related Jobseekers Allowance, Income Support or Income related Employment and Support Allowance or the Universal Credit where the award is calculated on the basis that the person does not have any earned income.

6 - Amount of reduction under this scheme

6.1 Amount of reduction under this scheme: Classes A to G

An individual in receipt of Income Support, income-related Jobseeker's Allowance, income-related Employment and Support Allowance or Universal Credit equivalent to one of the aforementioned benefits will have income, earnings and capital counted as zero. This means that the individual's income will automatically be less than their applicable amount. Their Council Tax Support will then be worked out based on 80% award.

6.2 Amount of reduction under this scheme:

The amount of reduction is as set out in the default scheme.

6.3 Where a person is within class D, that amount is

- the actual liability for the Council Tax.
- less any non-dependant deductions set out in appendix C
- the result is the interim award
- the actual award is 80% of the interim award

6.4 Where a person is within class E, that amount is

- the actual liability for the Council Tax
- less any non-dependent deductions set out in appendix C
- less the taper (currently Twenty per cent) of the difference between the income after disregards but including any tariff income and the applicable amount
- the result is the interim award
- the actual award is 80% of the interim award

7 - Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

7.1 Income and Capital where there is an award of Universal Credit

The income rules for calculating eligibility for a reduction are as set out in the default scheme, save as set out below.

7.2 Income and capital where there is an award of universal credit

Calculation of income and capital: persons who are not pensioners who have an award of universal credit.

7.3 Out of work with an award of Universal Credit analogous to Income Support, Income Based Jobseekers Allowance, or Income Related Employment and Support Allowance.

The income and capital will be treated as zero so they will fall into class D or F as appropriate.

7.4 In work and in receipt of Universal Credit analogous to Tax Credits

If they receive the maximum Universal Credit, their income will be their income from Universal Credit for their living expenses. The Housing Element and Disability element of the Universal Credit will be disregarded. Any income and capital will be disregarded

Where the individual is in work and not receiving the maximum Universal Credit because their income is too high, and where the individual elements cannot be identified they will be treated as receiving the income for their living expenses reduced in proportion to the overall reduction in the Universal Credit from the maximum. For example if the Universal Credit is 75% of the maximum award for their circumstances, the income used will be 75% of the maximum living expenses element. All other income and capital apart from war pensions, war widow(ers) pensions and continuing payments under the armed forces compensation scheme will be taken into account except any income and capital disregarded in Schedules 7, 8 and 10 of the default scheme.

8 - Capital

The capital rules for calculating eligibility for a reduction are as set out in the default scheme. The diminishing notional capital rule is abolished for classes D -F

9 - Calculation of tariff income from capital: persons who are not pensioners

Where the capital of an applicant and partner if any are not a pensioner exceeds the lower capital limit but does not exceed the upper capital limit as set out in Appendix A, it must be treated as generating an equivalent tariff income set out in Appendix A which must be added to the applicant's actual and notional income.

Where the capital of the applicant and partner if any exceeds the upper capital limit set out in Appendix A then the applicant will not be entitled to Council Tax Support. Capital includes any income treated as capital as defined in the default scheme.

10 - Extended reductions and qualifying conditions for an extended reduction

Extended reductions and qualifying conditions for extended reductions for those of pensionable age and those of working age will be as set out in the default scheme.

11 - Procedural Matters

11.1 Applications

Anyone entitled to Council Tax Benefit on 31 March 2013 or having made an application for CTB which is still to be decided on 31 March 2013 will be assumed to have also made an application for CTS with the circumstances that applied on 31 March 2013.

11.2 Applications after 1 April 2013

All others must apply for CTS. Applications must be made in writing and received by Barnet Revenues and Benefits Service, or received electronically via Barnet's website or in some other format as Barnet may decide. If a request for CTS is received by the Revenues and Benefits Service by any means including one that is not in the correct format Barnet will invite the applicant to complete an appropriate application. If the applicant does so and it is received within one month of being asked to do so then the application date will be the date the original request was received.

If a claim is made for Housing Benefit and the person claiming is also liable for Council Tax at the same dwelling then the Housing Benefit claim will be treated as a claim for Council Tax Support unless within fourteen days of receipt of confirmation of the award from the Council, the customer advises the Council in writing that they do not wish to claim. .

For those of working age, where an application is defective or incomplete and the applicant or the person acting for them has not supplied the information requested or properly completed an application form within one month (or such longer period as Barnet considers reasonable) of being asked to do so then the council will decide that the applicant no longer wishes to apply for a reduction.

Where following a change of circumstance the person receiving a reduction is asked to supply evidence or information in support of their claim and fails to do so within one month (or such longer period as Barnet considers reasonable) then the CTS award will be amended based upon an adverse inference of the information held from the date the change of circumstances occurred. This could lead to any award being ended.

Where an application is made for Universal Credit, Income Support, Jobseekers Allowance (Income Based) or Income Related Employment and Support Allowance and the Department of Work and Pensions or the CTS applicant makes the Council aware of this fact within 4 weeks of them becoming entitled to one of the above benefits then the date of application will be treated as made on date they become entitled to one of the above benefits.

Applications for CTS can be made up to 13 weeks in advance prior to an event that would entitle them to CTS

12 - Effective date of a change of circumstance

For those of Pensionable age the effective date of a change of circumstance is as set out in the default scheme.

For those of working age the effective date of a change of circumstances is as set out Regulation 107 of the Default regulations except as set out here. Where an applicant is required to notify a change of circumstances and the following apply, the new decision on a reduction will take effect on the date of notification:

- a) The change of circumstances is a change that is required by regulations to be notified.
- b) The change has been notified more than one month or such longer time as the Council considers reasonable after the change occurred and it was reasonably practicable for the change to be notified within this period.
- c) The new decision on the reduction is advantageous to the applicant.

13 - Appeals

The appeals process is as set out in the default scheme.

14 - Discretionary Reduction see Part 3 of Schedule 1 of the default scheme

An application to the authority for a reduction under section 13a(1)(c) of the 1992 Act must be made:

- (a)** In writing.
- (b)** By means of an electronic communication (see part 4 of Schedule 1).
- (c)** Via Barnet's website.

The applicant must state why the request is being made and supply such evidence and information as the Council may require in support of the request.

If for any reason the request is not in a form that Barnet can accept then the applicant will be supplied with a suitable form.

15 - Time and manner of granting relief and recoveries / overpayments

Where the Council Tax payer is entitled to an increase or decrease in their reductions following a reported change of circumstance, Barnet can issue a substitute demand notice taking into account the increase or decrease in liability.

Barnet Council will:

- (a)** Recover over-entitlement of Council Tax Support – this effectively becomes underpayment of Council Tax;
- (b)** Take recovery action according to the circumstances of the applicant;
- (c)** Credit the Council Tax account with any underpayment of CTS.

16 - Updates of the scheme

Each year Barnet Council can choose to freeze or increase any applicable amounts, premiums, disregards, or non-dependant deductions. Applicable amounts, premiums and disregards will usually be increased in line with the prescribed scheme. In future years if the Government does not publish new working age applicable amounts premiums and disregards, as part of the prescribed scheme then the applicable amounts premiums and disregards used in the Housing Benefit Regulations (2006) as amended can be used. These changes to applicable amounts, premiums, disregards and non-dependant deductions will not constitute a change to the scheme requiring consultation.

Effective from 1 April 2015

Appendix A - Working Age Upper and Lower Capital Limits, Tariff Income, Taper, Maximum Award, Minimum Award Maximum Band

	Class D or Class E	Class F or Class G
Upper Capital Limit	£16,000	£16000
Lower Capital Limit	£6000	£6000
Tariff Income	£1 for each £250 or part thereof above the lower capital limit of £6000	£1 for each £250 or part thereof above the lower capital limit of £6000
Taper percentage	20%	20%
Maximum award	80%	100%
Minimum award	zero	zero

Appendix B - Protected Groups

Protected Groups
Where claimant or partner receives a War Pension, or a War Widow(ers) pension, or a War Disablement Pension or a regular payment under the armed forces compensation scheme.

Appendix C - Non-Dependant deductions - April 2015 rates

Description	Deduction
Gross income greater than or equal to £189.00 per week from any source unless the Non-Dependant is receiving an income in category 3).	£11.36 per week
Gross income less than or equal to £188.99 p.w. unless the non-dependant is receiving an income in category 3).	£5.00 per week
In receipt of Income Support, Income based Jobseekers Allowance; Income related Employment and Support Allowance, State Pension Credit or Universal Credit where the award is calculated on the basis that the recipient has no earned income.	Nil

Appendix D - Applicable Amounts Working Age - April 2015 rates

Weekly Personal Allowances	
Single	
18 to 24	£57.90
25 or over	£73.10
Any age – entitled to main phase rate ESA	£73.10
Lone parent 18 or over	£73.10
Any age – entitled to main phase rate ESA	£73.10
Couple	
One or both over 18	£114.85
Any age – entitled to main phase rate ESA	£114.85
Polygamous Marriages	
If the claimant is a member of a polygamous marriage and no members of the marriage have attained the age of 60	
For the claimant and the other party to the marriage	£114.85
For each additional spouse who is a member of the same household as the claimant	£41.75
Dependent children	
From birth to September following 16th birthday	£66.90
From September following 16th birthday to day before 20th birthday	£66.90

Appendix E - Premiums Working Age - April 2015 rates

Family Premiums	Per week
Family Premium	£17.45
Family Premium (lone parent rate)	£22.20
Disability Premium	
Single	£32.25
Couple	£45.95
Enhanced Disability Premium	
Single rate	£15.75
Disabled child rate	£24.43
Couple rate	£22.60
Severe Disability Premium	
Single	£61.85
Couple – one qualifies	£61.85
Couple – both qualify	£123.70
Disabled Child Premium	£60.06
Carer Premium	£34.60
Components ESA(IR) and ESA (Contribution based)	
Work-related activity component	£29.05
Support component	£36.20

Appendix F - Disregards Working Age - April 2015 rates

UK War pensions or equivalent	100% disregarded
Permitted work disregard	£104.00 per week

All other disregards are those as set out in the default scheme or prescribed scheme for those of working age.