

Localising Council Tax Support – Administration within the Council Tax system

The Government has made the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885) (the “Prescribed Requirements Regulations”). The Regulations are available at: <http://www.legislation.gov.uk/uksi>

This sets out the requirements for all council tax reduction schemes, including provisions relating to persons who have attained qualifying age for state pension credit and who are not in receipt of work-related benefits.

The Government has also published a guidance note on administrative matters to provide guidance on how local council tax support schemes will be administered within the council tax system. This is available at: <https://www.gov.uk/government/publications/localising-support-for-council-tax-guidance-note-on-administrative-matters>

Since then further questions have been asked in relation to how the Prescribed Requirement regulations and council tax administration will allow for local council tax support schemes.

This note should be read in conjunction with the above documents and sets out some of those questions and provides answers.

Q: There are no rules governing revisions to decisions to grant a reduction?

Administration of changes in a person’s council tax liability is through the council tax system.

Where a fact relevant to the calculation of a person’s reduction changes (perhaps they are no longer liable for any benefits) and that change alters the level of reduction for which they are eligible, a billing authority will recalculate the liability for that day based on the new fact and re-bill accordingly.

Q: There are no rules limiting backdating of changes in reduction?

It is up to billing authorities to set the rules for backdating changes for working age claimants within their local schemes. Local schemes must, though, comply with the Prescribed Requirement Regulations in respect of back-dating of applications made by pensioners, and about the date on which a change resulting from a change of circumstances takes effect for them.

Within the framework of the local schemes adopted, where a person’s liability changes due to facts changing, either to their advantage or disadvantage, the liability will be recalculated for each day, and where applicable will be also backdated.

It must be remembered that local council tax support is not a benefit paying for a person’s liability but a means of calculating someone’s tax liability.

Q: There are no rules placing time limits on appeals?

That is correct and the same rules that apply to existing council tax appeals will apply to local council tax support schemes.

A person will need to write to the billing authority if they are aggrieved by a decision of the billing authority that affects their entitlement to a reduction or the amount of the reduction explaining why they are aggrieved. A person may only appeal to the Valuation Tribunal where:

- (a) they are notified in writing by the authority that it believes the grievance is not well founded, but they are still aggrieved;
- (b) they are notified in writing by the authority that steps have been taken to deal with the grievance, but they are still aggrieved; or
- (c) the period of two months, beginning with the date of service of their notice, has ended and they have not received notification under paragraph (a) or (b) above.

Q: If due to an error of administration we give a person too much reduction there are no rules on whether we reclaim that over payment?

Granting a reduction in error is, in effect, an under-collection of council tax. Under the council tax system a billing authority can make decisions on a case by case basis on the recovery of council tax owed.

Q: I want to be more generous to pension credit age people (or others) than the prescribed requirement regulations allow for. Can I legally offer more generous reductions?

Yes. We have always said that billing authorities can't take away from the prescribed requirements, but can offer more generous support if they wish.

It is open to billing authorities to provide additional reductions under their scheme for people of pension-credit age. This can be done as part of the local scheme, under new section 13A(1)(a) of the Local Government Finance Act 1992. Alternatively, additional support can be offered as an additional discretionary reduction from the billing authority under section 13A(1)(c).

Q: I want to top up war pensioner disregards to 100% for both pension credit age people and working age people. How do I do this?

This can be done in either of the two ways mentioned above.

The local scheme may make provision for war pensioners who are either of working age or pension-credit eligible age. The power under which the local authority can implement this reduction is new section 13A(1)(a) of the Local Government Finance Act 1992.

As with other elements of local schemes, the billing authority must consult on such an approach with precepting authorities (under paragraph 3 of the new Schedule 1A to the Local Government Finance Act 1992).

Alternatively, the additional disregard can be delivered on a discretionary basis by the local authority, outside the terms of its council tax reduction scheme, along the same lines as other council tax discretionary reductions. The power to implement this reduction is under new section 13A(1)(c) of the Local Government Finance Act 1992.

Q: How are 'mixed age' couples treated in the Prescribed Requirements – (i.e. where one person is of pension credit eligible age, and one is below this age)?

Mixed age couples are treated in the same way as under council tax benefit. If a person has, or their partner has, reached the eligible age for state pension credit (women's pensionable age or above), they are entitled to apply for pension-credit age support as set out in the Prescribed Requirements Regulations.

The same caveats apply as under council tax benefit, that is, the person or their partner must not be on income support, income-based jobseeker's allowance or income-related employment and support allowance or universal credit (see SI 2006/215 and SI 2006/216 for details). These are set out in paragraph 3 of the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and regulation 3 of the Prescribed Requirements Regulations respectively.

Q: Will you be making transitional provision to allow for those in receipt of council tax benefit to be considered for the new local council tax support schemes?

Yes, we will be making transitional regulations so that a person with an award of council tax benefit, or who has made a claim for council tax benefit which hasn't been determined, are to be treated as having made an application for a reduction under a billing authority's scheme.

Q: Aren't we required to put in provision for the treatment of mixed age couples changing in 2013/14?

No. There is nothing in the regulations that requires this. We don't yet know the future point at which DWP may change state pension credit eligibility criteria such that both members of a couple need to have reached state pension credit eligible age before they can qualify. If and when DWP does change these rules, we have said we would amend the Prescribed Requirements Regulations to ensure consistency between council tax support and benefits information and definitions. As council tax support schemes are updated once a year, this change will then be incorporated into local schemes the following year.

Q: How do you treat universal credit in relation to the Default Scheme?

We have produced updated guidance on universal credit on our website, with a worked example of how we expect this to be done:

<https://www.gov.uk/government/publications/localising-support-for-council-tax-council-tax-reduction-scheme-taking-account-of-universal-credit-income>