



# **Redcar and Cleveland Borough Council**

## **Council Tax Support Scheme Policy**

**2026 - 2027**

**Policy date April 2026  
Directorate of Resources**

## 1.0 Introduction

- 1.1 With effect from 1 April 2013 the Government changed financial support arrangements for Local Authorities, affecting assistance available to residents towards paying their council tax. The Council Tax Benefit Scheme was abolished on 31 March 2013 and Local authorities had a choice of adopting Council Tax Reduction Schemes (Default Scheme) Regulations or implementing a local discretionary support scheme. Replacement schemes needed to be in place from 1 April 2013.
- 1.2 For local Authorities implementing local discretionary schemes, there is a requirement for Prescribed Regulations to be incorporated into the scheme.
- 1.3 Single claimants or couples that are of state pension credit age are unaffected by these changes and are not subject to local scheme provisions. Prescribed Regulations protect the maximum level of Council Tax Support at 100% which was the same as was available from the Council Tax Benefit Scheme, prior to 1 April 2013.
- 1.4 The Council's Scheme for working age claimants is a local discretionary scheme which incorporates the provisions of The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (as amended) with exceptions. The exceptions to this scheme are detailed in section 2 of this policy. The mandatory requirements of the Government's Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) are incorporated without exception.
- 1.5 The regulatory terms in this policy have been simplified. However, the full intended effects of the regulations, which underpin this policy, and the effects of any established caselaw relating to how regulations should be treated will be further referred to as appropriate in decision making processes.

## 2.0 The Council's scheme exceptions to Default Regulations for working age claimants.

### 2.1 Capping of the maximum support level

- 2.2 The Council made decision on 27 January 2013 to limit the amount of Council Tax Support to the level of financial grant that the Council received from the Government i.e. to pass on the full extent of the Government's cut in grant funding. At the time of the report the cap on support was set at 80% for working age claimants. On 23<sup>rd</sup> February 2017 a decision was made to revise the cap to a 'Maximum Council Tax Support' level of 82.5%. **This means that Council Tax Support will be worked out on 82.5% of a working aged resident's Council Tax liability for the 2026/27 financial year.**

### **2.3 Backdating**

2.4 Backdating of Support will be allowed for a maximum period of 3 calendar months (subject to a request for backdating being made). There is no requirement to prove good cause for failing to claim at an earlier date.

### **2.5 Second Adult Rebate**

2.6 Second Adult Rebate for working aged residents **is not** a provision of the Council's local scheme.

### **2.7 Applicants in receipt of Universal Credit**

2.8 The applicable amount for applicants in receipt of Universal Credit will be their 'Maximum Amount' in accordance with Regulation 28, Part 6 The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (as amended), less any amount included for Housing Costs within the 'Maximum Amount'

2.9 The 'Maximum Amount' means the maximum amount of Universal Credit calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012.

2.10 Universal Credit income up to the value of the Housing Costs included within the 'Maximum Amount' will be disregarded.

2.11 Earned or Unearned Income received in addition to Universal Credit will be included in any assessment of support entitlement.

### **3.0 Overpayments**

3.1 Overpayment means any reduction to council tax liability after Council Tax Support has been applied, to which there is no entitlement.

### **3.2 Recovery of overpayments**

3.3 All overpayments of Council Tax Support, however they were caused, will be recoverable and will be collected as council tax liability from a claimant's council tax account. The regulatory powers for collection of council tax will apply.

3.4 The Council will have the discretion not to recover an overpayment of Council Tax Support using powers provided under Section 13a of the Local Government Finance Act. A separate Council policy exists in relation to section 13a relief.

### **4.0 Prescribed requirements**

4.1 Local authorities are required to incorporate the provisions of Prescribed Regulations into local discretionary schemes. Details of Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and amendments can be found at:

[http://www.legislation.gov.uk/ukxi/2012/2885/pdfs/ukxi\\_20122885\\_en.pdf](http://www.legislation.gov.uk/ukxi/2012/2885/pdfs/ukxi_20122885_en.pdf)  
<http://www.legislation.gov.uk/ukxi/2013/3181/made>  
<http://www.legislation.gov.uk/ukxi/2014/448/contents/made>  
<http://www.legislation.gov.uk/ukxi/2015/2041/made>  
<http://www.legislation.gov.uk/ukxi/2016/1262/made>  
<http://www.legislation.gov.uk/ukxi/2017/1305/made>  
<http://www.legislation.gov.uk/ukxi/2018/1346/made>  
<http://www.legislation.gov.uk/ukxi/2020/23/contents/made>  
<https://www.legislation.gov.uk/ukxi/2021/29/contents/made>  
<https://www.legislation.gov.uk/ukxi/2022/25/made>  
<https://www.legislation.gov.uk/ukxi/2023/16/made>  
<https://www.legislation.gov.uk/ukxi/2024/29/made>  
<https://www.legislation.gov.uk/ukxi/2025/39/contents/made>  
<https://www.legislation.gov.uk/ukxi/2026/27/made>

#### 4.2 The prescribed requirements cover the following areas.

- a) Defining who is a couple and the meaning of a family and its responsibilities
- b) Household membership
- c) remunerative work
- d) Persons treated as being in Great Britain
- e) Persons treated as not being in Great Britain
- f) Temporary absence from Great Britain
- g) Persons subject to immigration control
- h) Making provision to financially protect pensioners within a scheme.
- i) There must be provision in the scheme to determine claims for all applicants, whether they are entitled or not.
- j) Temporary absence from a dwelling
- k) Time and manner of claim
- l) Backdating
- m) Non-dependant deductions
- n) How income and capital is treated
- o) The meaning of 'income'
- p) How income is calculated
- q) Self-employed earnings and how these are calculated
- r) Treatment of tax credits
- s) Treatment of childcare charges
- t) Disability
- u) Income to be disregarded
- v) Calculation of capital and tariff income
- w) Date on which entitlement begins
- x) Date on which changes in circumstances take effect

4.3 A person who was in receipt of Council Tax Benefit, or who was waiting for a decision about a claim for Council Tax Benefit, immediately before 1<sup>st</sup> April 2013 is to be treated as having made an application for support under the local Council Tax Support scheme.

4.4 A right of appeal is provided in accordance with Part 2 of the Prescribed Regulations.

4.5 A requirement for Billing authorities to annually review local schemes and to revise or replace them as appropriate.

4.6 A requirement, where schemes are subject to change affecting existing claimants, for local authorities to consider whether transitional protection arrangements are appropriate.

4.7 A requirement for any scheme changes to be effective from 1 April of the subsequent year following the date of change.

## **5.0 Who can claim**

### **5.1 Working age claimants**

5.2 Prescribed requirements for making a claim are set out in Schedule 8, Part 2, paragraph 4 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended).

5.3 Redcar and Cleveland Borough Council residents over the age of 18 with a council tax liability for a property that they live in, and with capital of less than £16,000, can make a claim.

5.4 Residents can claim if they receive a passporting income such as:

1. Income Support
2. Income-based Jobseeker's Allowance
3. Income-based Employment and Support Allowance

5.5 In these circumstances they will be entitled to a Maximum Council Tax Support of 82.5% of their council tax liability, less any deductions for non-dependants

5.6 If they do not receive a passporting income.

- And have capital less than £16,000
- And have Income equal to or less than their applicable amount

5.7 They will be entitled to the maximum support of 82.5% of their council tax liability, less any deductions for non-dependants.

5.8 If they have income above their applicable amount

- And have capital less than £16,000

5.9 They will have their Support calculated by means test, which will compare their income to their applicable amount. The Maximum Council Tax Support amount of 82.5% will be reduced by 20% of the amount by which the applicable amount is exceeded, less any deductions for non-dependants.

### **5.11 Pensioners**

5.12 The Support provisions for pensioners are set out in Schedules 1 to 6 of the Prescribed Regulations.

5.13 The definition of a pensioner is set out in paragraph 3 of the Prescribed Regulations.

5.14 From May 2019 wider welfare reform changes for Housing Benefit required that, in the case of a mixed age couple household, the

household would not be treated as a pensioner household if a member of the couple receives a working age state benefit. In these circumstances the Maximum level of Council Tax Support available from the Council's scheme would be 82.5% of the Council Tax Liability. Less any non-dependant deductions.

- 5.15 The meaning of a 'couple' is set out in paragraph 4 of the Prescribed Regulations
- 5.16 Council Tax Support will be calculated based on a means test, which takes into account the income, capital, income allowances and applicable amount for the claimant and, or their partner.
- 5.17 The requirements for treatment of claimants in polygamous marriages are set out in paragraph 5 of the Prescribed Regulations
- 5.18 The meaning of 'family' is set out in paragraph 6 of the Prescribed Regulations.
- 5.19 The requirements for which a person is to be treated as responsible or not responsible for another is set out in paragraph 7 of the Prescribed Regulations
- 5.20 The requirements for determining membership of a household are set out in paragraph 8 of the Prescribed Regulations
- 5.21 The meaning of non-dependants is set out in paragraph 9 of the Prescribed Regulations
- 5.22 The requirements for determining whether or not a person is to be treated as being in Great Britain are set out in paragraphs 12 and 12A of the Prescribed Regulations
- 5.23 The requirements for determining whether a person should be treated as temporary absent from Great Britain are set out in paragraph 12B of the Prescribed Regulations
- 5.24 The definitions for persons subject to immigration control are set out in paragraph 13 of the Prescribed Regulations

## **6.0 Applicable Amount**

- 6.1 The Applicable Amount will be calculated in accordance with Part 6, of the Default Regulations and will be dependent on an individual's circumstances and may include:
  - a) Personal allowances for the claimant and partner.
  - b) An amount for every child or young person who is a member of the household.
  - c) A 'family addition' where at least one child or young person is part of the household.
  - d) Additions for people in receipt certain health related benefits such as Personal Independence Payments.
  - e) Other additions in special circumstances.

For the avoidance of doubt in accordance with Part 6 regulation 28, for Universal Credit claimants, their entitlement to support will be based on an applicable amount equal to their 'Maximum Amount' less any Housing Costs included. The table below shall apply where there is no award of Universal Credit.

6.2 Applicable amounts table (below) for claimants not receiving Universal Credit. The weekly amounts to be included in the Applicable Amount for non-Universal Credit claimants are detailed in Schedule 3 of the Default Regulations and are subject to annual review by government departments.

<b>Table:</b>	<b>Weekly amount 2025-2026</b>	<b>Weekly amount 2026-2027</b>
<b>Applicable Amounts Personal allowances</b>		
Single claimant aged 18 to 24	£72.90	£75.65
Working aged single claimant aged 25 or over	£92.05	£95.55
Single claimant entitled to main phase Employment and Support Allowance	£92.05	£95.55
Working aged lone parent (over 18)	£92.05	£95.55
Working aged couple	£144.65	£150.15
Couple entitled to main phase Employment and Support Allowance	£144.65	£150.15
Single claimant or lone parent who has attained pensionable age before 1 April 2021	£244.40	£256.00
Single claimant or lone parent who has attained pensionable on or after 1 April 2021	£227.10	£238.00
Couple where one or both members have attained pensionable age on or after 1 April 2021	£346.6	£363.25
Couple where one or both members have attained pensionable age before 1 April 2021	£366.00	£383.35
A child or young person until the day before their twentieth birthday	£84.66	£87.88
<b>Family premium</b>		
	<b>Weekly amount 2025-2026</b>	<b>Weekly amount 2026-2027</b>
A household which includes at least one child or young person	£19.48	£20.22
<b>Employment and Support Allowance premiums</b>		
	<b>Weekly amount 2025-2026</b>	<b>Weekly amount 2026-2027</b>
The claimant is in receipt of the work-related activity component of Employment and Support Allowance	£36.55	£37.95
The claimant is in receipt of the support component of Employment and Support Allowance	£48.50	£50.35
<b>Special circumstances premiums (entitlement limited to only one of the premiums below)</b>		
	<b>Weekly amount 2025-2026</b>	<b>Weekly amount 2026-2027</b>
Disability premium (single) – the claimant is registered blind, or in receipt of one or more of the following: <ul style="list-style-type: none"> <li>• Attendance Allowance</li> <li>• Disability Living Allowance • Mobility Supplement Long term Incapacity Benefit</li> <li>• Severe Disablement Allowance</li> <li>• The disability or severe disability element of Working Tax Credit</li> <li>• Personal Independence Payment</li> </ul>	£43.20	£44.85

<ul style="list-style-type: none"> <li>Armed Forces Independence Payment</li> </ul>		
Disability premium (couple) – the claimant or partner is registered blind, or in receipt of one or more of the following: <ul style="list-style-type: none"> <li>Attendance Allowance</li> <li>Disability Living Allowance • Mobility Supplement</li> <li>Long term Incapacity Benefit</li> <li>Severe Disablement Allowance</li> <li>The disability or severe disability element of Working Tax Credit</li> <li>Personal Independence Payment</li> <li>Armed Forces Independence Payment</li> </ul>	£61.65	£64.00
Carers premium – the claimant or partner is entitled to Carers Allowance	£46.40	£48.15
<b>Special circumstances premiums (entitlement can be applied on top of any other premiums awarded)</b>	<b>Weekly amount 2025-2026</b>	<b>Weekly amount 2026-2027</b>
Severe disability premium (single rate) -for a single claimant, lone parent or couple where: <ul style="list-style-type: none"> <li>The claimant or partner is receiving Attendance Allowance, or the care component of Disability Living Allowance at the higher or middle rate, or the daily living component of Personal Independence Payment, or Armed Forces Independence Payment, and</li> <li>No non-dependants aged 18 or over reside with them, and</li> <li>No one is in receipt of a Carers Allowance or the carer element of Universal Credit for looking after them.</li> </ul>	£82.90	£86.05
Severe disability premium (double rate) -for a couple where: <ul style="list-style-type: none"> <li>Both the claimant and partner are receiving Attendance Allowance, or the care component of Disability Living Allowance at the higher or middle rate, or the daily living component of Personal Independence Payment, or Armed Forces Independence Payment, and</li> <li>No non-dependants aged 18 or over reside with them, and</li> <li>No one is in receipt of a Carers Allowance or the carer element of Universal Credit for looking after both of them.</li> </ul>	£165.80	£172.10
Enhanced disability premium (single) – where: <ul style="list-style-type: none"> <li>The claimant has limited capability for work related activity, or</li> <li>The highest rate care component of Disability Living Allowance is payable for</li> </ul>	£21.20	£22.00

<p>the claimant or any member of the claimant's family, or</p> <ul style="list-style-type: none"> <li>The daily living component of Personal Independence Payment is payable for the claimant or any member of the claimant's family.</li> </ul>		
<p>Enhanced disability premium (couple) – where:</p> <ul style="list-style-type: none"> <li>The claimant or partner has limited capability for work related activity, or</li> <li>The highest rate care component of Disability Living Allowance is payable for the claimant or any member of the claimant's family.</li> </ul>	£30.25	£31.40
<p>Enhanced disability premium (disabled child) – where:</p> <ul style="list-style-type: none"> <li>The highest rate care component of Disability Living Allowance is payable for a child or young person, or</li> <li>The daily living component of Personal Independence Payment is payable for a child or young person.</li> </ul>	£32.75	£33.99
<p>Disabled child premium – where a child or young person:</p> <ul style="list-style-type: none"> <li>Receives Disability Living Allowance, or</li> <li>Receives Personal Independence Payment, or</li> <li>Is registered blind</li> </ul>	£81.37	£84.46

## 7.0 Making a claim

- 7.1 The circumstances in which a person can make a claim for Council Tax Support are set out in schedule in Schedule 7, Part 1 of the Prescribed Regulations.
- 7.2 A claim for Council Tax Support can be made online via the Council Tax and Benefits section of the Council's website [www.redcar-cleveland.gov.uk](http://www.redcar-cleveland.gov.uk). The Council will also accept claims made in writing on a form issued by the Council and returned to a designated Council office.
- 7.3 Designated Offices are Redcar and Cleveland Borough Council Libraries and Customer Service Points. The addresses and locations of these buildings can be found on the Council's website [www.redcar-cleveland.gov.uk](http://www.redcar-cleveland.gov.uk).
- 7.4 Generally a claim will be treated as made on the day that it is received. However, backdating of up to 3 calendar months can be claimed.

## **7.5 Evidence and information**

7.6 The requirements for providing evidence and information to support a claim are set out in Schedule 8, Part 3, paragraph 7 of the Prescribed Regulations

## **7.7 Amendment and withdrawal of claim**

7.8 Amendment or withdrawal of a Council Tax Support claims will be in accordance with the Schedule 8, Part 3, paragraph 8 of the Prescribed Regulations.

## **8.0 Income and capital**

8.1 The provisions of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (as amended) together with requirements of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) will apply in the treatment of income and capital.

### **8.2 Treatment of income that is not Universal Credit**

8.3 The income of the claimant and their partner will be added together to establish a household income for the purpose of calculating entitlement to Council Tax Support.

8.4 Income will be calculated on a weekly basis. Any income paid for a period other than on a weekly basis, will be converted to a weekly figure.

8.5 Where income is subject to fluctuation and variance, the Council will determine an average weekly amount over a recognisable cycle of work e.g. fortnightly, 4weekly, calendar monthly etc.

8.6 Where an income, is not yet received, such as a first monthly wage payment from by an employer, an estimated income amount may be used.

### **8.7 Treatment of Universal Credit income**

8.8 Universal Credit income is administered and determined by the Department for Work and Pensions.

8.9 Universal Credit Housing Costs components will be disregarded as income in accordance with paragraph 8.51 (5) (h) of this policy.

8.10 Deductions for advance payments or overpayment recovery deductions, or attachments for any other reason will not be taken into account as reductions in Universal Credit income. Universal Credit income will be determined as the amount awarded before these deductions.

8.11 Universal Credit 'Maximum Amount' less Housing Costs will be used as the applicable amount to determine Council Tax Support entitlement. If Universal Credit income, combined with any other income received as per 8.12 of this policy, is equal to or less than the

applicable amount, Maximum Council Tax Support shall be awarded, Less any non-dependant deductions.

8.12 Any other earned or unearned income received in addition to Universal Credit will be added to the Universal Credit income amount, subject to paras 8.9 and 8.51, in order to determine the total weekly income for the purpose of calculating Council Tax Support.

8.13 Where a claimant holds capital in excess of the lower capital threshold, as per paragraph 8.45 of this policy, a tariff (standard rate) income will be calculated and added to any other income received.

8.14 If a claimant has deprived themselves of income that they could receive, they will be treated as receiving that income and it will be used to determine their support entitlement.

### **8.15 Remunerative work (Earnings)**

8.16 The meaning of remunerative work is set out in paragraph 10 of the Prescribed Regulations

8.17 A claimant or partner's net earnings will be their gross earnings less:

- a) Income Tax
- b) National Insurance contributions
- c) Half of any sum paid by the employer towards an occupational or personal pension scheme.

8.18 The following sums will also be disregarded in the calculation of earnings:

- a) Temporary care provision payments in the calculation of earnings.
- b) Any payment relating to former employment paid after retirement.
- c) Compensation payments for loss of employment.
- d) Guarantee payments on medical or maternity grounds.
- e) Any payments for items wholly, exclusively and necessarily incurred in the performance of the employment.
- f) For a single person, the first £5 per week of any earnings.
- g) For a couple, the first £10 per week of any earnings.
- h) For a lone parent, the first £25 per week of any earnings.
- i) For people in receipt of contribution-based Employment and Support Allowance, Incapacity Benefit or Severe Disablement Allowance, where a permitted earnings disregard applies, the disregard will be aligned to amounts as set by government subject to annual uprating  
[www.gov.uk/government/publications/employment-and-support-allowance-permitted-work-form/permitted-work-factsheet](http://www.gov.uk/government/publications/employment-and-support-allowance-permitted-work-form/permitted-work-factsheet)
- j) For people entitled to the disability addition or the severe disability addition, the first £20 per week of any earnings, except where the permitted earnings disregard applies.
- k) For people entitled to the carers addition, the first £20 per week of any earnings.

- l) For people in certain special occupations, the first £20 per week of any earnings. These are:
  - Part-time fire-fighters.
  - Auxiliary coastguards.
  - Part-time life-boat workers.
  - Members of the Territorial Army or similar reserve force.
- m) For people in receipt of the additional earnings disregard in Working Tax Credit, an additional disregard of £17.10 per week of any earnings.
- n) Child care charges (see below).
- o) Drawings from a self-employed business.

### **8.19 Child care charges**

8.20 Child care charges up to a maximum of £175 per week for one child, or £300 per week for two or more children, will be deducted from earned income, plus any Working Tax Credit and Child Tax Credit or Universal Credit where:

- a) A single claimant works 16 hours per week or more, or
  - b) Both members of a couple work 16 hours per week or more, or
  - c) Where one member of a couple works 16 hours per week or more and the other member of the couple is disabled, and the disability addition is included in the couple's applicable amount due to this disability, or
  - d) Where one member of a couple works 16 hours per week or more and the other member of the couple is on maternity leave and receiving Statutory Maternity Pay or Maternity Allowance.
- 8.21 The child must be under 15 years of age, or 16 if they are disabled, and the care must be provided by one of the following:
- a) A registered Child minder.
  - b) A registered nursery or play scheme.
  - c) An out of hours scheme run by an approved provider.
  - d) An out of hours club provided by a school on school premises (this applies only if the child is aged 8 or over).
- 8.22 In cases where a child is 15 years of age, or 16 years of age and disabled, child care deductions will continue until the first Monday in September after them reaching this age.
- 8.23 Self-employed earnings.** The requirements as per regulations 23, 32 and 33 of The Prescribed Regulations will apply in calculating the employment period, net profit and tax and national insurance deductions.
- 8.24 Student income. The provisions of the The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (as amended) will be used to calculate student income.

## **8.25 Student grant**

- 8.26 The whole amount of a person's grant income will be taken into account, with the exception of the following:
- a) Payments for tuition fees or examination fees.
  - b) Payments in relation to the student's disability.
  - c) Payments for term-time residential study away from the student's educational establishment.
  - d) Payments for another home at a place other than which the student resides during the course.
  - e) Payments for books and equipment.
  - f) Payments for travel expenses to attend the course.
  - g) Payments for child care costs.
  - h) Any other amounts intended for expenditure necessary to attend the course.
- 8.27 A student's grant income will be apportioned over the period of study the grant relates to.

## **8.28 Covenant income**

- 8.29 Where a student is receiving a grant and a contribution has been assessed, the whole of the covenant income will be taken into account.
- 8.30 A student's covenant income will be apportioned over the whole calendar year and an amount of £5 per week will be disregarded.
- 8.31 Where a student is not receiving a grant, the whole of the covenant income will be taken into account. In these circumstances, a student's covenant income will be apportioned as follows:
- a) Any covenant income up to the amount of the standard maintenance grant will be apportioned over the period of study, less any amounts to be disregarded as set out above in 'Grant Income'.
  - b) Any covenant income over the amount of the standard maintenance grant will be apportioned over the whole calendar year and an amount of £5 per week will be disregarded.

## **8.32 Student loans**

- 8.33 The whole amount of a person's student loan will be taken into account, less any amounts to be disregarded as set out above in 'Grant Income'. A student's loan will be apportioned over the period of study the loan relates to and an amount of £10 per week will be disregarded.
- 8.34 A person will be treated as having a student loan in respect of an academic year where:
- a) A student loan has been made to them for that year, or

- b) They could have taken reasonable steps to acquire a loan. In these cases, the amount to be taken into account will be the maximum amount they could have acquired for that year.

8.35 A loan for fees, known as a fee loan or a fee contribution loan will be fully disregarded.

### **8.36 Payments from access funds**

8.37 A payment from access funds will be disregarded as income, with the exception of any payments intended for:

- a) Food
- b) Ordinary clothing or footwear
- c) Household fuel
- d) Water charges
- e) Rent
- f) Council Tax

8.38 In these circumstances, the whole amount will be taken into account and an amount of £20 per week will be disregarded.

8.39 Where a payment from access funds is made to bridge the period until a student loan is received, the whole amount will be disregarded.

### **8.40 Student income treated as capital**

8.41 The following amounts paid to students will be treated as capital:

- a) A refund of tax deducted from a student's covenant income.
- b) An amount paid from access funds as a single lump sum, whatever the purpose of the payment.

### **8.42 Notional income**

8.43 A claimant will be treated as possessing income that they could receive if which they or their partner have deliberately deprived themselves of it.

### **8.44 Tariff income from capital**

8.45 Where the claimant and their partner have capital in excess of £6,000 (but less than £16,000), a tariff income (standard rate) of £1 per week will be taken into account for every £250, or part of £250, over £6,000.

8.46 Tariff income for pension age claimants will be calculated in accordance with the Prescribed Regulations.

### **8.47 Other income**

8.48 Any other income of the claimant or partner will be taken fully into account, with the exception of 'income disregarded' below.

8.49 Where deductions are being made from income in the recovery of overpayments or taxes, by public bodies, the gross income amount will be taken into account.

### **8.50 Disregarded income**

8.51 The following income paid to the claimant or partner will be disregarded in full, unless otherwise stated:

1. Any payment of expenses for participation in 'work for your benefit' schemes.
2. Any payment of expenses for attending mandatory work activity, employment, skills or enterprise schemes.
3. Any payment of expenses for a person who is a volunteer for a charitable or voluntary organisation.
4. Any payment of expenses for a person who participates in a service user group.
5. Certain state benefits and pensions:
  - a. Attendance Allowance.
  - b. Child Benefit.
  - c. Disability Living Allowance.
  - d. Discretionary Housing Payments.
  - e. Education Maintenance Allowance.
  - f. Guardian's Allowance
  - g. Housing Benefit
  - h. Universal Credit Housing Costs components
  - i. Mobility supplements.
  - j. Personal Independence Payments.
  - k. War Disablement Pension.
  - l. War Widow's Pension
  - m. War Widower's Pension.
  - n. Widowed Mother's Allowance.
  - o. Widowed Parent's Allowance.
  - p. Bereavement Support Payments
6. Any payment made to a person as a holder of the Victoria Cross or George Cross.
7. Charitable or voluntary payments.
8. Any income from capital.
9. Any payments received from dependants or non-dependants.
10. The first £20 per week of any rental payments from a person, other than a non-dependant, who occupies the claimant's home.
11. The first £20 per week, and then 50% of any income over £20 per week, of any rental payments from a boarder, other than a non-dependant, who occupies the claimant's home.
12. Any payment in kind made by a charity.
13. Any income payable outside the United Kingdom where there is a prohibition against the transfer to the United Kingdom of that income.

14. Any payment made for adoption, fostering, guardianship support or supported lodgings.
15. Any payment made for a person who is not normally a member of the claimant's household, but is temporarily in their care.
16. Any payment made by a Local Authority under section 17 of the Children's Act 1989.
17. Any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments of a loan.
18. Any income treated as capital.
19. Social Fund payments or its equivalent.
20. Any payment for banking charges or commission, to convert a payment of income to sterling.
21. Any payments that are prescribed to be disregarded under default and Housing Benefit regulations such as from the Eileen Trust, the Independent Living Fund, the Skipton Funds, the London Bombing Relief Charitable Fund, or the Variant Creutzfeldt-Jacob Disease Trust etc.
22. Any payment of expenses for jurors, witnesses or prison visitors.
23. Any refund of Council Tax.
24. Child maintenance.
25. The first £15 per week of any maintenance, other than child maintenance.
26. Personal injury payments from a trust.
27. Sports awards.

## **8.52 Capital**

- 8.53 The Capital cut off limit for Council Tax Support is £16,000.
- 8.54 The capital of the claimant and their partner will be added together, for the purpose of calculating entitlement to Council Tax Support.
- 8.55 All capital of the claimant or partner will be taken fully into account, with the exception of 'capital disregarded' below.
- 8.56 Where capital is jointly held by the claimant or partner and one or more other persons, the Council will apportion the capital to decide what share is held by the claimant or partner.
- 8.57 Where the value of the capital item is not known, the Council will calculate the value of the capital item using the information available to provide the most accurate estimate, including:
  - a) The current market or surrender value of the capital item.
  - b) Less any costs for selling the capital item.
  - c) Less any debt or charge secured against the capital item.

## **8.58 Income treated as capital**

8.59 The following payments will be treated as capital:

- a) Holiday pay paid 4 weeks or more after termination of employment.
- b) Tax refunds.
- c) Lump sum charitable or subsistence payments.
- d) Arrears of Tax Credits.

## **8.60 Notional capital**

8.61 A claimant will be treated as possessing capital of which they or their partner have deliberately deprived themselves of.

## **8.62 Capital disregarded**

1. The dwelling normally occupied by the claimant as their home.
2. Any property which is actively being sold.
3. Any property acquired by the claimant which they intend to occupy as their home, whilst they are preparing for occupation.
4. Any property acquired by the claimant, which they intend to occupy as their home, which is undergoing essential repairs or alterations.
5. The proceeds of sale of any property formerly occupied by the claimant as their home, which is to be used for the purchase of another property intended for occupation.
6. Any property occupied by a partner or relative of the claimant or any member of their family, where that person is a pensioner or disabled.
7. Any property occupied by the former partner of the claimant as their home, where the former partner is a lone parent, or where the property is actively being sold.
8. The capital of a person in receipt of Income Support, Income Based Jobseekers Allowance or Income Based Employment and Support Allowance.
9. Any future interest in property, other than land or premises where the claimant has granted a lease or tenancy.
10. The assets of any business owned by the claimant for the purpose of their self-employment.
11. Any arrears of state pensions, benefits or tax credits.
12. Any amount paid to the claimant, or acquired by the claimant as a loan, as a result of damage or loss of the home or personal possessions and intended for its repair or replacement.
13. Any amount deposited with a Registered Provider, which is to be used for the purchase of another property intended for occupation.
14. Any personal possessions.
15. The value of the right to receive any income under an annuity or the surrender value of an annuity.

16. Where the funds of a trust resulted from a payment for a personal injury to the claimant of their partner, the value of the trust fund and the right to receive any payment under that trust.
17. The value of the right to receive any income under a life interest or from a life rent.
18. The value of the right to receive any income payable in a country outside the United Kingdom where there is a prohibition against the transfer to the United Kingdom of that income.
19. The surrender value of any life insurance policy.
20. Where payments of capital are made by instalments, the value of the right to receive any outstanding instalments.
21. Any payment made by a local authority under section 17 of the Children Act 1989.
22. Any payment made for adoption, fostering, guardianship support or supported lodgings.
23. Any social fund payment or its equivalent.
24. Any refund of tax deducted on a payment of loan interest for the purpose of acquiring a home or carrying out repairs or improvement to the home.
25. Where a payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
26. Any payment made under the Eileen Trust, the Independent Living Fund, the Skipton Funds, the London Bombing Relief Charitable Fund, or the Variant Creutzfeldt-Jacob Disease Trust.
27. The value of the right to receive any rent.
28. Any payment in kind made by a charity.
29. Any refund of Council Tax.
30. Any payment made by a local authority to the claimant, to be used to purchase a property for occupation as their home, or to carry out repairs or alterations to the home.
31. Any payments for:
  - a) travel expenses for hospital visits
  - b) medical supplies and vouchers
  - c) health in pregnancy grants
  - d) Home Office payments for prison visits.
32. Any payment made to assist a disabled person to obtain or retain their employment.
33. Any payment made by a local authority under the Blind Homeworkers' Scheme.
34. Any capital administered on behalf of a person by the High Court, County Court, or the Court of Protection.
35. Any payment to the claimant as a holder of the Victoria Cross or George Cross.
36. Any payment made to assist a person under the self-employment route.
37. Any payment of a sports award.
38. Any payment of an education maintenance allowance.

- 39. Any payment made by a contractor for a person participating in an employment zone programme.
- 40. Any arrears of subsistence allowance.
- 41. Any payment made by a local authority for a service which is provided to develop or sustain the capacity of the claimant or their partner to live independently in their accommodation, including personal budgets.
- 42. Any lump sum Bereavement Support Payment (for a period of 52 weeks).

## **9.0 Calculation of entitlement**

### **9.1 Maximum Council Tax Support for working aged claimants.**

- 9.2 The amount of a person's Maximum Council Tax Support for any day for which they are liable to pay Council Tax will be 82.5%. Less any non-dependant deductions.
- 9.3 The amount of Council Tax Support will be calculated as (A) divided by (B) and multiplied by 82.5% where:
  - (A) is the amount of Council Tax set for the financial year for the dwelling the person resides in and for which they are liable, less any discount which applies.
  - (B) is the number of days in that financial year
- 9.4 Where a person is jointly and severally liable for Council Tax, which they are liable with one or more other persons, the maximum amount of Council Tax Support will be the amount in (A) divided by the number of people who are jointly and severally liable. This will not apply if the only person they are jointly and severally liable with is their partner.

### **9.5 Council Tax Support taper**

- 9.6 The percentage of excess income over the applicable amount which will be deducted from the weekly maximum Council Tax Support will be 20%.

### **9.7 Non-dependant deductions**

The weekly amounts to be for determining non-dependant deductions are detailed below. The rates for the Council Tax Support scheme for 2026/2027 will be uprated in line with the prescribed scheme for pensioners and other income related benefits.

- 9.8 A deduction from a person's maximum Council Tax Support will be made for non-dependants, as follows:
  - a) A non-dependant aged 18 or over in remunerative work where their normal weekly gross income is:
    - i) Less than £279.00, the deduction will be £5.20 per week.
    - ii) Between £279.00 and £485.00, the deduction will be £10.60 per week.
    - iii) Between £485.00 and £605.00, the deduction will be £13.30 per week.

- iv) £605.00 or over, the deduction will be £15.95 per week.
  - b) A non-dependant aged 18 or over not in remunerative work, the deduction will be £5.20 per week.
- 9.9 In calculating the gross income of a non-dependant, any amounts which would normally be disregarded for a Council Tax Support claimant, will also be disregarded for a non-dependant.
- 9.10 Only one non-dependant deduction will be made for a couple, and the amount deducted will be based on their joint income, calculated as above.
- 9.11 Where a person is jointly and severally liable for Council Tax for a dwelling they reside in, which they are liable with one or more other persons, the amount of the non-dependant deduction will be apportioned equally between those liable persons.
- 9.12 Non-dependant deductions will not be made in the following circumstances:
- a) Where the claimant or their partner is blind
  - b) Where the claimant or their partner receives Attendance Allowance or the care component of Disability Living Allowance
  - c) Where the non-dependant normally resides elsewhere
  - d) Where the non-dependant receives a training allowance
  - e) Where the non-dependant is a full-time student
  - f) Where the non-dependant is not residing with the claimant because they have been an in-patient for more than 52 weeks (without any break exceeding 28 days)
  - g) Where the non-dependant receives Income Support, Income Based Jobseekers Allowance, Income Based Employment and Support Allowance, Pension Credit, or receives Universal Credit as their sole income.
  - h) Where the non-dependant is aged under 18.
- 9.13 Where the income of the non-dependant is not known or has not been provided, the Council will assume that the maximum deduction will apply.
- 9.14 Date on which entitlement begins**
- 9.15 Entitlement to Council Tax Support will begin on the Monday following the date the claim is received by the Council.
- 9.16 Council Tax Support will be paid for an earlier period, up to a maximum of 3 calendar months before the claim is received by the Council, where:
- a) Council Tax liability starts within 3 months before the claim is received by the Council.
  - b) An intention to claim is received within one month before the claim is received by the Council.

- c) The claimant requests that the claim is paid earlier.
- 9.17 Providing that the claimant has supplied sufficient information and evidence for the Council to calculate entitlement to Council Tax Support for the earlier period.
- 9.18 Duration of award and reviews**
- 9.19 Council Tax Support will be awarded for an indefinite period, until:
- a) Council Tax liability ends.
  - b) A change in the claimant or partner's circumstances results in Council Tax Support ending.
  - c) The claimant fails to respond to a request for information and evidence in connection with their claim.
- 9.20 The Council may review a person's entitlement to Council Tax Support at any time.
- 9.21 Extended reductions**
- 9.22 The requirements of part 8 of the Prescribed Regulations will apply. And will provide extended reductions moving from benefit income to employment. The Extended reduction period will be 4 weeks and will be paid at the rate of entitlement prior to the customer moving into employment.
- 9.23 Extended payments – movers into the Borough of Redcar and Cleveland.**
- 9.24 Customers moving from another authority area who have qualified for an extended reduction, will continue to receive that reduction.
- 10.0 Decision making and notifications**
- 10.1 Decisions and notification**
- 10.2 The requirements for decision making and notification of decisions are set out in Schedule 8, Part 4 of the Prescribed Regulations.
- 10.3 Payment of Council Tax Support**
- 10.4 The requirements for paying Council Tax Support are set out in Schedule 8, Part 5 of the Prescribed Regulations.
- 10.5 Electronic communications**
- 10.6 The rules by which the Council can undertake electronic communications is set out in Schedule 7, Part 4 of the Prescribed Regulations.

## **11.0 Changes in decisions and duty to notify changes**

- 11.1 The duty to notify changes of circumstances is set out in Schedule 8, Part 3, paragraph 9 of the Prescribed Regulations.
- 11.2 The date on which a change of circumstances is to take effect is set out in Schedule 8, Part 2 of the Prescribed Regulations.
- 11.3 Council Tax Support will end in the following circumstances:
- a) Council Tax liability ends.
  - b) A Council Tax exemption applies.
  - c) A change of circumstances occurs, which ends entitlement to Council Tax Support.
  - d) A change of circumstances occurs, but there is insufficient information or evidence to decide if entitlement to Council Tax Support should continue.
  - e) The claimant fails to provide, when requested, sufficient information or evidence to decide if entitlement to Council Tax Support will continue.

## **11.4 Revisions and changes**

- 11.5 A decision relating to a claim for Council Tax Support may be revised by the Council at any time.
- 11.6 The claimant can ask the Council to revise a decision about their Council Tax Support within one month of the date the original decision was notified.
- 11.7 If a request to revise a decision about Council Tax Support is received, the Council will reconsider the original decision and decide whether or not the decision should be changed.
- 11.8 The claimant will be notified of the result of a request for revision, in writing. The notification will include the reasons for the decision and details of any rights of appeal against the decision.

## **12.0 Appeals**

- 12.1 The rules by which a person may make an appeal against certain decisions of the authority is set out in Schedule 7, Part 2 of the Prescribed Regulations.

## **12.2 Discretionary reductions**

- 12.3 The rules for an application for a discretionary reduction are set out in Schedule 7, Part 3 of the Prescribed Regulations.