

To: Audit, Risk & Scrutiny Board

On: 29 May 2018

Report by: Director of Finance and Resources

Heading: Council Tax Briefing Paper

1. Summary

- 1.1 It was agreed at the Audit Risk and Scrutiny Board on 28th August 2017 that it would be helpful to Members if a briefing paper was prepared to outline Council Tax discounts and exemptions
 - 1.2 This paper was to include information about exemptions and discounts and also highlight the new ways of providing customers with information, including the new customer portal.
 - 1.3 It was agreed that the paper would allow members of the Board the opportunity to ask questions and make suggestions,
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2. Recommendations

- 2.1 To note the attached Briefing Paper
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3. Background

- 3.1 At the Audit Risk and Scrutiny Board on 28th August 2017 it was suggested that as the Council does not list all Council Tax exemptions and reductions available to residents when issuing Council Tax Notices It was suggested that a review was to be undertaken because a number of exemptions are not

known or readily available. E.g. many carers are not aware of possible exemptions and can end up paying many years of tax which is not refundable by back dated application, before they are told about any possible exemption.

- 3.4 The Board agreed that a Council Tax Briefing Paper be prepared and that this should include information about exemptions and discounts and also highlight the new ways of providing customers with information, including the new customer portal.
- 3.5 A Briefing Paper has been prepared by officers and is attached as appendix 1 for Members' review.
- 3.6 The paper details discounts and exemptions available for Council Tax purposes and how Renfrewshire Council makes its Council Tax payers aware of potential reductions that may be available to them. A summary table of all discounts and exemptions has been included.
- 3.7 The paper also details the proactive work that the Council undertakes to ensure residents are receiving the reductions to which they are entitled and provides clarity and assurance to members in relation to back dating.

Implications of the Report

1. **Financial** – None
2. **HR & Organisational Development** - *none*
3. **Community Planning** –
none
4. **Legal** - *none*
5. **Property/Assets** - *none*
6. **Information Technology** - *none*
7. **Equality & Human Rights**
(a) N/A
8. **Health & Safety** - *none*
9. **Procurement** – *none*
10. **Risk** - *none*
11. **Privacy Impact** - *none*

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Briefing Paper

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1.0 Background

The purpose of this paper is to detail discounts and exemptions available for council tax purposes and how Renfrewshire Council makes its Council Tax payers aware of potential reductions that may be available to them. Section 7 provides this information in a summarised table.

The paper also details the proactive work that the Council undertakes to ensure residents are receiving the reductions they are entitled to.

In section 6 the paper outlines the position in relation to backdating.

2.0 Council Tax Annual Billing

Each March, annual Council Tax Notices are issued to all households across Renfrewshire to advise customers of the Council Tax and Water and Sewerage charges that they are due to pay from the 1 April for the new financial year.

Enclosed with all Council Tax Notices is a council tax information booklet. The purpose of the booklet is to provide households with further information regarding to how the council tax charge is calculated and explains the different payment options available.

Also detailed with the Notice is information in relation to Housing Benefit, Council Tax Reduction, Second Adult Rebate.

3.0 Discounts and Exemptions

Listed in section 3 are all Council Tax discounts and exemptions detailed within the booklet. These reductions are the most common discounts and exemptions that are awarded however the booklet also confirms that other reductions may be available for other reasons.

The booklet provides contact details and also the council's website should residents require any further information and advises that applications for discounts or exemption can be made through the online with MyAccount.

3.1 Discounts

3.1.1 Single Person Discount

If only one person over 18 lives in a property a 25% single person discount is applicable.

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There may still be a 25% discount if other people live in the property as well, but are all disregarded (not counted) for Council Tax purposes. These include:

- Full time student, student nurses and apprentices
- Long term patients in hospital or residential homes
- Care leavers aged 18 to 25 who were looked after by a local authority
- Unoccupied and unfurnished properties for a period of 6 months following an unoccupied and unfurnished exemption

3.1.2 Council tax Reduction

Council Tax Reduction (CTR) was introduced from 1 April 2013 to replace Council Tax Benefit (CTB), which has been abolished by the UK Government as part of its welfare reform programme.

CTR works by comparing the amount of income a person has with the amount that a person needs to live on (their 'applicable amount'). If their income is less than the applicable amount, they may be entitled to a reduction of 100%.

If their income is above the applicable amount, entitlement to CTR is reduced by 20p for every £1 of income above the applicable amount.

CTR is applicable to Council Tax charges only, not Water and Sewerage charges.

3.1.3 Second Adult Rebate

Second Adult Rebate is an alternative to Council Tax Reduction. Council Payers can apply if they are responsible for paying the Council Tax and share their home with other adults, who are 18 or over and have a low income.

3.2 Exemptions

Exemption to Council Tax charges apply in the following circumstances:

3.2.1 Properties wholly occupied by someone who is;

- under 18 years old
- Full time student, student nurses and apprentices
- Severally mentally impaired
- Care leavers aged 18 to 25 who were looked after by a local authority

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3.2.2 Empty properties that:

- are still being built (exempt for 12 months)
- that have a closing or compulsory purchase order
- are unfurnished (exempt for up to 6 months); or
- that were previously occupied by someone who has died

3.3 Disabled banding relief

If a resident in a household is disabled and one or more of the following statements is true they may qualify for a reduction in Council Tax:

- An additional bathroom, required for meeting the disabled persons needs
- An additional kitchen, required for meeting the disabled persons needs
- The use of a wheelchair, by the disabled person, inside the house
- A room, other than a bathroom, kitchen or lavatory, which is used predominately (whether for providing therapy or otherwise) by the disabled person, and required for meeting their needs.

The reduction takes the form of a drop in valuation band from, for example, C to B. If it's a band A property, the reduction will be approximately 17% of the council tax charge

4.0 MyAccount

MyAccount is an online customer account which provides free 24 hour access to some council services.

In relation to Council Tax the services available include:

- applying for council tax discount, exemption or reduction (those described in section 3 above)
- making an online payment
- uploading documents to support a claim
- checking council tax balance and payments
- setting up a direct debit
- advising of a change of address, household details or circumstance

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5.0 Pro-active awards of discounts and exemptions

The arrangements outlined below have been implemented to ensure the Council is using the information it holds in order for the maximum level of reductions to be applied where appropriate.

Importantly, the approaches described reduce the requirement for applications to be made by a customer, or their family, at what may be a very stressful time for the family and results in accounts being updated in a more timeously manner.

- 5.1 Single person discount is automatically awarded when a customer advises the Revenues Team through MyAccount when they have moved house and are a single occupant. There is no requirement for an application to be signed. If a customer has not fully completed the house change form through MyAccount, the Revenues Team will contact the customer to ask how many residents are living in the property to ensure the discount is awarded, if only 1 adult resident.
- 5.2 Renfrewshire Council has a data sharing agreement with University of West of Scotland that enables the university to pass details of students onto the Revenues Team to ensure the relevant discount or exemption is awarded without the requirement for a further application form to be completed. All students are required to do is opt-in through the university website and the details will be passed to the council. If the student has recently moved house or into Renfrewshire, they will have to notify the council of their house move but their student discount/exemption will be automatically awarded.
- 5.3 Information in relation to residents who are in the process of being admitted to residential care through Renfrewshire Health & Social Care Partnership are now passed to the Revenues Team to enable automatic awards of in care or severely mentally impaired exemptions or discounts depending on the number of adults in the residents previous home and the medical information provided at the point of admission. These cases do not require any additional paperwork to be completed and the award is made automatically.
- 5.4 Similar to above, links are also in place between the Adults with Incapacity Team within Renfrewshire Health & Social Care Partnership and the Revenues Team to ensure any residents that have a severe mental impairment are highlighted to the Revenues Team in order for the relevant reductions to be granted without the requirement for any application to be completed. This applies to those residents who require care at home and lack capacity.

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- 5.5 When a resident notifies the Revenues Team that their property has become empty, checks are made online to establish if the property is being advertised for sale or let. If this confirmation can be obtained online, the appropriate reduction of unoccupied and unfurnished exemption will automatically be awarded without the requirement for an application to be completed.

6.0 Backdating of Discounts and Exemptions

Councils must grant discounts and exemptions for a past period if the appropriate conditions are met, and any relevant evidence has been provided, as there is no time limit on backdating.

If a resident has paid their Council Tax in full, and is then awarded with a backdated discount or exemption, a refund is issued for the total amount the liable party is in credit for.

The rules in relation to Council Tax reduction backdating differ from discounts and exemptions rules as backdating is restricted to a maximum of 6 months, in line with Housing Benefit.

7.0 Table Summary

Single Persons Discount	Is granted automatically when a change of address has been notified to the Revenues Team. The team will contact customers if any information is required to ensure the discount is awarded. Information on single persons discount is detailed within the council tax booklet, MyAccount and website.
Empty Property	Where appropriate, this is awarded automatically once confirmation of sale or let is obtained online. Applications can also be made through MyAccount. Information on empty properties is detailed within council tax booklet, MyAccount and website.
Students	Data sharing agreement in place with UWS to capture student information without the need for any application to be made. Applications can also be made through MyAccount and in paper format for students studying elsewhere.

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Foreign Student Spouses	Revenues team is proactive to identify cases where evidence of a student has been received and appears a foreign spouse also stays in the property. Applications can be made through MyAccount or by paper application.
Severely Mentally Impaired/Care Workers	Awarded automatically with links in place with HSCP for residents going into residential care or through engagement with AWI team only. All other applications for exemption under this category require an application. Information on SMI detailed within council tax booklet, MyAccount and website.
In Residential Care/Hospital	Awarded automatically with links in place with HSCP. Information on in care detailed within council tax booklet, MyAccount and website. Applications can be made through MyAccount and by paper application.
Deceased	Is automatically awarded on receipt of death notification from registrar.
In Detention	Paper applications can be made as form is stamped by detention establishment.
Under 18 Years Old	Awarded automatically if CTR application has been made as evidence already received. Information on 'under 18' detailed within council tax booklet, My Account and website. Applications can be made through MyAccount.
Resident aged 18 for whom child benefit is payable	Awarded automatically if CTR claim in place as evidence already held on file. Paper applications can also be requested.
Care Leavers	New reduction implemented from 1/4/18. Discussions currently place with Children Services to ensure awards are made automatically where possible.
Last Occupied by Students	Awarded automatically to landlords where their empty properties were last occupied by students.

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Charitable	Awarded automatically when we are aware property owned by charity is vacant. Paper applications can also be made.
Repossession	Application can be made through MyAccount.
Structural Repair	Applications can be made through MyAccount. Information on empty properties is detailed within MyAccount and website.
Disabled Band Reduction	The reduction takes the form of a drop in valuation band from, for example, C to B. If it's a band A property, the reduction will be approximately 17% of the council tax charge Applications can be made through MyAccount.
Second Adult Rebate	Second Adult Rebate is an alternative to Council Tax Reduction. Council Payers can apply if they are responsible for paying the Council Tax and share their home with other adults, who are 18 or over and have a low income. Applications can be made through MyAccount.
<p>All further discounts or exemptions below are uncommon however can be applied for contacting the Revenues Team.</p> <ul style="list-style-type: none">• Prohibited by law• Occupation by a minister of religion• Last occupied together with certain agricultural lands• Property held by a trustee in bankruptcy• Dwelling difficult to let separately• Apprentice/Youth Trainee• Member of international headquarters & defence organisations• Members of visiting forces <p>Members of religious communities</p>	