

# Summary of the Redbridge Council Tax Reduction Scheme for 2025/26

## Eligibility

People who may be eligible for Council Tax Reduction under this scheme will be those:

- who have a liability to pay Council Tax in Redbridge for a dwelling which they occupy as their home; and
- who apply for Council Tax Reduction; and
- who do not have assessed capital in excess of £16,000.

A person from abroad as defined in the Council Tax Benefit Regulations 2006 (as amended), is not eligible for Council Tax Reduction.

A person who is temporarily absent from home, as defined in the Council Tax Benefit Regulations 2006 (as amended), or whose normal home is elsewhere is not eligible for Council Tax Reduction under this scheme.

A person who is a student is only eligible for Council Tax Reduction under this scheme in the circumstances specified in the Council Tax Benefit Regulations 2006 (as amended).

The law sets out the definition of 'pensioner' for the purposes of the scheme. Those not defined as pensioners are defined as working age.

## Applications for Council Tax Reduction

New applications for Council Tax Reduction can be made using the following methods:

- Online via the Council's website
- If the Council receives an application for support via the Department for Work and Pensions it will consider the applicant as having applied for Council Tax Reduction
- If the Council receives notification of a claim made for Universal Credit or details of Universal Credit in payment via the Department for Work and Pensions it will consider the applicant as having applied for Council Tax Reduction

## Evidence

Applicants will be required to verify their identity, national insurance number, income, and capital. If there are other people in the household, the applicant may also be required to verify their details.

If all the information needed is not on the form, there is something that needs clarifying or further evidence is needed, the Council will contact the applicant allowing them 1 month to

reply. If a reply is not received within 1 month a decision will be made based on the evidence available.

## **Working Age Council Tax Reduction**

Maximum Eligible Council Tax

There are five levels of eligible Council Tax for working age applicants.

### **Working Age Scheme 1 - Eligible Council Tax is 73%**

The applicant and/or any partner are receiving any level or component of disability living allowance, personal independence payment, armed forces independence payment or attendance allowance.

### **Working Age Scheme 2 - Eligible Council Tax is 60%**

The applicant and any partner have one or more dependent child in the household and either:

- the applicant and any partner are receiving income support, or
- the applicant and any partner are receiving income-based Jobseeker's Allowance, or
- the applicant and any partner are receiving income-related employment and support allowance, or
- the applicant and any partner are receiving universal credit and the applicant and any partner are not in work, or
- the applicant and any partner are receiving contribution-based employment and support allowance and the applicant and any partner are not in work.

### **Working Age Scheme 3 - Eligible Council Tax is 50%**

The applicant and any partner have no dependent children in the household and either:

- the applicant and any partner are receiving Income Support, or
- the applicant and any partner are receiving income-based Jobseeker's Allowance, or
- the applicant and any partner are receiving income-related Employment and Support Allowance, or
- the applicant and any partner are receiving Universal Credit and the applicant and any partner are not in work, or
- the applicant and any partner are receiving contribution-based Employment and Support Allowance and the applicant and any partner are not in work.

### **Working Age Scheme 4 - Eligible Council Tax is 46%**

The applicant and any partner have one or more dependent child in the household and either:

- the applicant and/or any partner are in work and have combined net earnings of less than £313 per week, or

- the applicant and any partner are not in work and are not receiving either:
  - Income Support, or
  - Income-based Jobseekers Allowance, or
  - Income-related Employment and Support Allowance, or
  - Universal Credit, or
  - Contribution-based related Employment and Support Allowance

and are likely to be eligible for one of these state benefits if a claim were to be made.

## **Working Age Scheme 5 - Eligible Council Tax is 36%**

The applicant and any partner have no dependent children in the household and either;

- the applicant and/or any partner are in work and have combined net earnings of less than £234 per week, or
- the applicant and any partner are not in work and are not receiving either:
  - Income Support, or
  - Income-based Jobseekers Allowance, or
  - Income-related Employment and Support allowance, or
  - Universal Credit, or
  - Contribution-based related Employment and Support Allowance

and are likely to be eligible for one of these state benefits if a claim were to be made.

### **Earned Income**

For the purposes of Council Tax Reduction, net earned income will be calculated by taking into account gross income and deducting Tax, National Insurance and 50% of any Pension contribution.

### **Capital**

Capital includes savings and investments held in any form (for example, bank and building society accounts, investment trusts and shares), from any source (for example, inheritance and redundancy payments). It will normally also include the net value of land and/or property that the customer owns but does not occupy.

Capital belonging to a partner is treated as the applicant's for the purpose of calculating Council Tax Reduction.

Applicant's with capital of £16,000 or more will not be entitled to Council Tax Reduction.

### **Non-dependant deductions**

People who share an applicant's accommodation but are not financially dependent on them are known as non-dependants. Non-dependants are typically grown up children, parents, or other relatives living as part of your household. Any non-dependants who normally share an

applicant's accommodation may affect the amount of Council Tax Reduction that they receive.

There are no non-dependant deductions for applicants in work age scheme 1.

This table shows the deduction that will be made from Council Tax Reduction in respect of any non-dependants.

Working age scheme		Weekly Deductions - Working Age
Working Age Scheme 1	No Deduction	
Working Age Schemes 2,3,4 and 5	Non-dependant is working	£20.40 per week
	Non-dependant is not working	£10.20 per week
	Non-dependant is getting Carers Allowance	£0.00 per week

Deductions for non-dependants will be made from the eligible Council Tax amount.

### **Calculation of Council Tax Reduction**

As long as an applicant has less than £16,000 capital, they will receive the Eligible Council Tax amount less any non-dependant deductions.

If the calculated Council Tax Reduction is less than £5.00 per week no Council Tax Reduction is awarded.

For example

Eligible Council Tax	£29.00 per week
Less non-dependant deduction	£ 10.20 per week
Council Tax Reduction	£18.80 per week

## **Pension Age Council Tax Reduction**

### **Eligible Council Tax**

For the purposes of Pension Age Council Tax Reduction, eligible Council Tax is:

- 100% of the amount an applicant is liable to pay.

### **Applicable amounts**

Applicable amounts are also known as living allowances and they are set and reviewed annually by the Government. For the purpose of Council Tax Reduction, the Council continues to use the amounts set by the Government.

Applicable amounts take into account the size of an applicant's family, their age and any extra needs that they may have. It is made up of three parts:

- a personal allowance, and
- personal allowances for the children in the family, and
- premiums.

This table shows the applicable amounts for 2024/25.

<b>Allowance</b>	<b>Amount</b>
<b>Personal allowance</b>	
Pension age before 1 April 2021	
Single pension age and over	£244.40
Couple one pension age and over	£366.00
Lone parent pension age and over	£244.40
Pension age from 1 April 2021 and after	
Single pension age and over	£227.10
Couple one pension age and over	£346.60
Lone parent pension age and over	£227.10
<b>Dependant Allowance</b>	
All ages	£84.66
<b>Premiums</b>	
<b>Amount</b>	
Family	£19.48 This does not apply for new claims from 1 May 2016
Family (Lone parent)	£22.20 This does not apply for new claims from 1 May 2016
Disabled child	£81.37
Disability - Single	£43.20
Disability - Couple	£61.65
Enhanced disability - single	£21.20
Enhanced disability - couple	£30.25
Enhanced disability - child	£32.75
Severe disability - single	£82.90
Severe disability - couple both disabled	£165.80
Carer	£46.40

## **Earned income**

For the purposes of Council Tax Reduction, net earned income will be calculated by taking into account gross income and deducting Tax, National Insurance and 50% of any Pension Contributions.

The following amounts will be deducted from net income, as described about, before calculating Pension Age Council Tax Reduction.

<b>Category</b>	<b>Weekly disregard</b>
Single person	£5.00
Couple	£10.00
Lone parent	£25.00
Worker receives a disability premium, is a carer, or receives Employment and Support Allowance (contribution based)	£20.00
Additional childcare disregard - certain conditions must be met	Up to £175.00 for 1 child and £300.00 for 2 or more children
Additional disregard for working over 30 hours	£17.10

The above amounts will not be deducted from net income where the applicant and/or partner is in receipt of Universal Credit unless they are also in receipt of Attendance Allowance, Disability Living Allowance, Personal Independence Payments or Armed Forces Independence Payments.

## **Other Income**

Most other types of income will be taken into account in full, some have a £15.00 per week disregard but the following types of income are disregarded in full.

- Housing Benefit payments
- Discretionary Housing payments
- In Work credit
- Social Fund payments and loans
- Child Benefit
- War Disablement Pensions
- Disability Living Allowance
- Personal Independence payments
- Attendance Allowance
- War Widows and War Widowers Pension
- Armed Forces Compensation Scheme payments
- Maintenance payments received for a child
- Fostering payments
- Social Services payments
- Supporting People payments

## **Capital**

Capital includes savings and investments held in any form (for example, bank and building society accounts, investment trusts and shares), from any source (for example, inheritance and redundancy payments). It will normally also include the net value of land and/or property that the applicant owns but does not occupy.

Capital belonging to a partner is treated as the applicants for the purpose of calculating Council Tax Reduction.

Applicants with capital of £16,000 or more will not be entitled to Council Tax Reduction. Capital below £6,000 is not counted.

For working age applicants amounts between £6,000 and £16,000 will be taken into account at £1 per week for each £250 (or part thereof).

For pension age applicants amounts between £10,000 and £16,000 will be taken into account at £1 per week for each £500 (or part thereof).

### **Non-dependant deductions**

People who share an applicant's accommodation but are not financially dependent on them are known as non-dependants. Non-dependants are typically grown up children, or other relatives living as part of your household. Any non-dependant who normally share an applicant's accommodation may affect the amount of Council Tax Reduction that they receive.

This table shows the deduction that will be made from Council Tax Reduction in respect of any non-dependants.

Non-Dependants Income	Weekly Deduction - Pension Age
Income below £266.00 per week	£5.00
Income between £266.00 and £462.99 per week	£10.20
Income between £463.00 and £576.99 per week	£12.80
Income £577.00 or more per week	£15.35
In receipt of Pension Credit, Income Support or Income based Jobseekers Allowance/Employment and Support Allowance.	NIL
In receipt of Universal Credit and not working	
Full time student	NIL

Deductions for non-dependants will be made from the eligible Council Tax amount. These income bands and deductions may be updated annually.

### **Calculation of Council Tax Reduction**

If an applicant's income is calculated as less than their applicable amount, and they have less than £16,000 capital, they will receive maximum 100% Council Tax Reduction less any non-dependant deductions.

If an applicant's income is calculated as more than their applicable amount, the following calculation will be made.

Income minus applicable amount = A

20% of A = B

Eligible Council Tax minus Non-Dependant deduction minus B = Council Tax Reduction.

For example:

Income	£275.20 per week
Applicable Amount	£244.40 per week
Difference (excess income)	£30.80 per week (A)
20% of the difference	£6.16 per week (B)
Eligible Council Tax	£ 29.00 per week
Less Non-dependant deduction	£5.00 per week
Less 20% of the difference	£6.16 per week
Council Tax Reduction	£17.84 per week

## **The following apply to both working age and pension age Council Tax Reduction**

### **Extended reductions**

Applicants starting work after receiving a qualifying benefit for 26 weeks or more, may be entitled to an extended Council Tax Reduction. This means that they will receive the same level of support (normally maximum Council Tax Reduction) for a period of 4 weeks.

The Conditions that need to be met are as follow:

- the applicant or partner starts work or increases their hours or earnings; and
- the work is expected to last for at least 5 weeks; and
- the applicant or partner has been continuously receiving a qualifying benefit for 26 weeks or more; and
- entitlement to the qualifying benefit ends as a result of starting work/increasing hours or income.



## **Start and end of entitlement**

Council Tax Reduction claims will normally start from the Monday following the date the claim is received at a designated office.

Applicants who cease to be liable for Council Tax, will stop receiving Council Tax Reduction on the date that their liability ends

Applicants who cease to be entitled to Council Tax Reduction for another reason such as an increase in income will stop receiving their Council Tax Reduction from the Sunday following the change in their circumstances.

## **Backdating**

Residents who wish to apply for Council Tax Reduction for a period prior to the date they make their application, may be eligible for backdating. The following rules apply to backdating:

- the request must be made in writing
- the resident must demonstrate continuous good cause for any delay in making their application.
- for working-age applicants Council Tax Reduction will not be backdated for more than 12 months from the date of a written request.
- for pension age applicants Council Tax Reduction can be backdated automatically for up to 3 months.

## **Change of circumstances**

Applicants must notify the Council of any change in their circumstances that may affect their Council Tax Reduction. This will include:

- where they live
- who they live with
- their income and savings.

Any change in circumstances must be notified as soon as possible and at least within 1 month of the change. Failure to do so may result in a loss of Council Tax Reduction.

Applicants receiving Universal Credit must also tell the Department of Work and Pensions about any changes.

## **Adjustments to Council Tax Reduction**

Council Tax Reduction will be calculated up to 31 March each year and will be credited to the applicants Council Tax account. If there is a change in circumstances that means an applicant is no longer eligible for Council Tax Reduction or the award reduces an adjustment may be created.

Adjustments to Council Tax Reduction will be debited to the applicants Council Tax account and a new bill will be issued. All adjustments of Council Tax Reduction will be recoverable. Under certain circumstances, the Council may decide not to recover adjustments.

## **Reviews**

The Council may need to check the details of Council Tax Reduction awards to see if any of the details held have changed. If the Council needs to do this, the applicants may be sent a form, contacted by telephone or visited in their home.

Failure to respond to a review may mean that council Tax Reduction is terminated.

## **Appeals**

If an applicant disagrees with a decision the Council have made they can:

- ask for a detailed written explanation (called a statement of reasons)
- ask us to look at the decision again
- appeal our decision to the Valuation Tribunal Service

This must be done in writing and within 1 month of the date the decision was made.

The Council will review the decision and notify the applicant of the outcome. If the applicant is still not satisfied with the outcome, they may appeal to the Valuation Tribunal for England.

The Valuation Tribunal will not accept an appeal against the Council Tax Reduction Scheme that has been set by the Local Authority.

## **Information sharing**

The Council may give the information supplied by applicants for their Council Tax Reduction claim to other Organisations, where the law allows this.

The Council may check the information applicants have supplied with other sources, as allowed by law.

The Council must protect public funds and may use the information applicants have provided to the Council previously, and on their application for Council Tax Reduction to prevent and detect fraud. This may include matching any information held about the applicant from other sources, including data held on computer records. The Council may also share this information, for the same purposes, with other Organisations that handle public funds.

## **Hardship Fund**

The Council set aside a sum of money to help households experiencing financial difficulties to pay their Council Tax in exceptional circumstances. If an applicant is experiencing exceptional hardship they may apply for additional help under this scheme. The Council will

then consider the applicants circumstances and decide whether additional support can be granted.