

Council Tax Hardship Scheme (CTHS)

Policy

April 2023

DRAFT

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1. Introduction

The London Borough of Croydon has developed a Council Tax Hardship Scheme (CTHS) to support the most vulnerable residents in the borough, and low income-households who are unable to meet the demands of their council tax due to financial hardships.

The CTHS is a discretionary scheme which reduces the council tax liability for residents in hardship, using available powers under Section 13A of the Local Government Finance Act 1992.

Support, in summary, will be provided to any Croydon resident in receipt of a qualifying benefit, or have income under a maximum allowance.

2. Main Eligibility Criteria

Applicants must meet the following criteria to be eligible to receive a reduction in council tax under this scheme:

1. Aged 18 or over.
2. Have a council tax liability.
3. Be in receipt of one of the following benefits:
 - Universal Credit
 - Income-Based Jobseekers' Allowance
 - Income-Based Employment and Support Allowance
 - Incapacity Benefit
 - Pension Credit
 - Income Support
 - Housing Benefit
 - Council Tax Support
 - Severe Disabled Allowance

Or

If the applicant is not in receipt of a welfare benefit, they may still be eligible to apply for CTHS if they are on a low income. Low income is considered to be a maximum of 3 income bands above the maximum threshold for eligibility to the Council Tax Support Scheme (CTSS), depending on the household composition.

3. Other Eligibility Criteria and Considerations

1. Individuals may be excluded from the scheme in the following situation:
 - Any resident found to be in receipt of another exemption which negates their council tax liability in part or in full.
 - Residents in Care Homes or Hospital for extended periods may apply no sooner than 2 weeks before they plan to return to their main residence.
 - Prisoners.
 - Non-residents – where the applicant's main residence is not within Croydon but has a council tax liability in Croydon.
 - Residents who would qualify as no recourse to public funds.
2. The person or household applying for assistance must not have any savings that can be relied on to meet the demand for council tax, this is aligned to the Council Tax Support Scheme for capital limits.
3. Only one application can be made per resident or household. If a resident has more than one council tax liability this scheme can only be provided to their main residence. Application for more than one residence will be declined.
4. If an applicant has received a payment from the Transitional Support Payment scheme the applicant will not be eligible for a discount under this scheme, support will be provided via the Transition Support scheme instead.

4. Application Process

1. Croydon has a digital by default position, which is supported by state benefits (UC) which has a digital only approach. Resident are expected to complete an online application form. The form can be found by following this link:
 - [\[link place holder\]](#)
2. An initial review will take place within 5 working days and an email notification will be sent to the resident to confirm the progress of their application.
3. Should further information be required the resident will be notified and contacted by a council officer to provide guidance within 10 working days of the application submission.

5. Verification of Applications

1. Where an applicant is in receipt of Council Tax Support or Housing Benefit then verification will take place against known information the council already holds.
2. Where an applicant is not in receipt of Council Tax Support or Housing Benefit, the applicant will be required to provide evidence of their income to ensure they meet the requirements of the scheme.

6. Delivery

1. After initial assessment of eligibility and any follow up required should a resident be eligible for this scheme a reduction to their council tax will be applied.
2. The reduction in council tax in relation to the 2023/24 council tax increase will be a percentage value, equal to the value rise in the Council's share of the council tax at Band D in 2023/24, above the national limit of 5% for that year.
3. The application of this reduction will be done as soon as practicably possible following a successful application but no later than 5 working days once a decision has been made.
4. Notification of the decision will be communicated with the resident at the point of the decision being made and in the form of a new council tax demand notice being issued showing the reduction.

7. Review

1. Should a resident wish to request a review of a decision made, they will be provided with contact details to appeal the decision. This will be reviewed within 28 days of receipt.
2. Should a resident falsify, or knowingly provide incorrect information the council may revoke any award made. Should this happen the council tax will be come immediately due and payable, and subject to all standard recovery processes at the council.