

# Annex A - Support with Council Tax and Reductions

## Council Tax Support (CTS)

As per scheme – income banded, the lower a resident's income the high the support provided. Pensioners and disabled residents may be entitled to receive up to 100% support and working age residents can receive up to 80% support.

**Enablement Team** – This team administer discretionary funding support, debt advice, and help to support residents into work.

**Benefit maximisation** – The council has welfare rights officers to help residents maximise their benefits. They will visit residents in their home and help them to complete any required forms/applications.

## Reductions, Discounts and Exemptions

**Severely mentally impaired (SMI)** – persons are disregarded for the purposes of Council Tax. If all occupants are SMI then an exemption can be applied.

If all occupants are disabled but not classified as SMI then a reduction of up to 50% can be awarded.

**Care Leavers and Foster Parents** – Croydon offers a 100% reduction in council tax for these groups.

**Students** – full time students are disregarded for the purposes of Council Tax, if all adults in the household are students, then an exemption can be granted, else a maximum disregard discount of 25% would be granted if only 1 adult was to be counted.

**Single Person's Discount (Sole Occupier Discount)** – this discount is applied to all single occupied, or lone adult households. A 25% reduction is applied.

**Exempt from Council Tax** – Some homes will be 100% exempt from council tax if they were occupied by someone who is in prison, or has moved into a care home or hospital, or have had their home repossessed, or cannot be lived in by law.

**Council Tax Band Reduction** - A council tax reduction for disabilities is provided if you're a person with a disability or you live with someone who has a disability, and your home has adaptations to meet the needs of the disability.

## Council Tax Recovery and Enforcement

The council has signed up the mantra of: *Those that can pay, will pay, those that can't pay, we will support and those that won't pay we will take a tough stance through enforcement.*

**Instalment Plans** – once the council has obtained a liability order for unpaid council tax the council is able to offer lower instalments and payment plans over a longer period of time.

**Attachments of Benefits** – If a resident is in receipt of a deductible benefit then the council will always seek to attach an order to their benefit payment, this is a very low weekly payment.

**Attachment of Earning** – if the council holds employment records or is able to find them for a resident an attachment of earning can be used for those that have defaulted on an arrangement or are avoiding payment.

**Enforcement Agents** – Croydon uses both internal and external enforcement agents, where a debt is in borough, we will try to use internal agents and external otherwise. All enforcement agents are trained on ethical debt collection and seek the best outcome for the resident and the council. They identify vulnerable residents and take appropriate action such as referrals, they will also put the case on hold and refer to the council for next actions. External enforcement agents have discretion and funding where if a vulnerable case is identified they may help to reduce their debt and they also carry food parcels.

The enforcement agent service was overhauled and regulated in 2014. An enforcement agent is no longer able to enter a property through any open door/window. All enforcement agents are regulated through civil enforcement association, CIVEA.

There is a new enforcement conduct board, which has a mandate to protect the financially vulnerable, balance the critical financial needs of councils and ensure fairness for all.

We received very few complaints regarding the behavior of our enforcement agents. During this year we have received no complaints about our internal team and 2 in relation to the external teams.

## Hardship Scheme

Section 13A schemes – Croydon has a hardship scheme administered under S13A which includes **Care Leavers**.

## Council Tax Support Transitional Funding 2022/23 & 2023/24

In 2022 Croydon introduced an income banded CTS scheme which reduced the level of support to some residents. To help residents transition to the new scheme a £2m over 2-year transitional fund was put in place to help residents adjust to the new scheme.

## Council Tax Support Fund 2023/24

Government have requested all billing authorities to an award up to £25 to all residents who are in receipt of council tax support as of 01/04/2023.

Any left-over funding from this will be put towards a discretionary hardship scheme.

## Council Tax Hardship Scheme 2023/24

As a consequence of the rise in council in Croydon, the council will make available a £2m fund which will be aimed towards helping households and residents on low-income.

## Household Support Fund 2022/23

The DWP provides funding to local authorities to administer support to vulnerable households. In 2022 £300k has been allocated to helping residents in receipt of Council Tax Support with their council tax bill, if there is an outstanding balance to pay for the 2022 year. This fund can only be used to support households in year. There may be support next year but the DWP are yet to make that announcement.

## Discretionary Housing Payment

You can apply to the discretionary support fund if you live in Croydon and have financial hardship, this fund is called the discretionary housing payment which is a top-up of your benefit, it is used to help residents with the rent, housing costs, housing deposit or rent arrears. This is a one-time offer, to qualify the resident must demonstrate how this payment will help them out of the financial hardship and on to financial sustainability.

## Interest Free Budget Loan

You could also be eligible for an interest free budget loan if the resident has received one of these 4 benefits in the last 6 months:

- Income support
- Income based Jobseekers Allowance
- Income bases Employment and Support Allowance
- Pension Credit

## Croydon Health Homes

You can get free energy saving advice from Croydon Healthy Homes.

**Warm spaces** – a list of warm spaces are available on the Croydon website for residents to visit.

## Free school meals

If you are a parent who receive an eligible benefit your child may be entitled to free school meals.

## Partner Referrals – Vulnerability & Debt Advice

The council has partnered with other organisations that offer consolidated debt advice and support. Some of those organisations include:

- Money Advisors Network
- Citizen's Advice Bureau
- South-west London Law Centre
- Step Change
- Age UK
- MIND
- Croydon Plus Credit Union