

Appendix A – Summary Scheme and proposed changes

Full Revised Scheme Lodged in Group Rooms or can be provided on request

Bracknell Forest Local Council Tax Reduction Scheme

The Bracknell Forest Council Tax Reduction Scheme for working age people.

The Council has decided there will be three classes of working age people who will be eligible for help towards their Council Tax bill. The level of help towards the Council Tax bill will depend upon the class that people fall within.

Class D: persons who are not pensioners whose income is equal to or less than the applicable amount¹

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who is not absent from the dwelling throughout the day*
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week is equal to or less than his applicable amount;
- (f) who has made an application, or is treated as having made an application, for a reduction under this scheme; and
- (g) who does not possess capital of more than £16,000.

Class E: persons who are not pensioners whose income is greater than the applicable amount²

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) is not absent from the dwelling throughout the day*;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income for the relevant week is greater than his applicable amount;

- (f) in respect of whom amount A exceeds amount B where:
- (i) amount A is the maximum council tax reduction in his case; and
 - (ii) amount B is 21 per cent of the difference between his income for the relevant week and his applicable amount;
- (g) who has made an application, or is treated as having made an application, for a reduction under this scheme; and
- (h) who does not possess capital of more than £16,000.

Class G: persons who have an award of universal credit

On any day class G consists of any person who is not a pensioner:

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) is not absent from the dwelling throughout the day;*
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) who has made an application, or is treated as having made an application, for a reduction under this scheme, and
- (f) who is a person who receives universal credit; and
- (g) who does not possess capital of more than £16,000.

What Local Council Tax Reduction will be paid to a working age person

When an applicant falls within class D, class E and class G the amount of a person's maximum council tax reduction in respect of a day is 80 per cent.

Income greater than Living Allowance or applicable amount

If your income is greater than the defined Living Allowance the Council Tax Reduction will be reduced. The reduction is 21% of the difference between your income and Living Allowance.

Protection for certain claimants

Where the claimant or partner is in receipt of:

- War Disablement Pension;
- War Widows Pension or
- War Widows Disablement Pension.

The income from these sources will be 100% disregarded when calculating income.

Council Tax Liability

The maximum discount will be 80% of council tax liability for all working age.

Minimum reduction per week

The minimum Council Tax Reduction that can be paid is £0.50 a week. You cannot receive Local Council Tax Reduction unless you are entitled to at least that amount.

Extended payments

You or your partner or civil partner will be entitled to extended payments of up to four weeks of Local Council Tax Reduction if your Reduction stop because you have gone back to work, increased your hours or earn more money. This will only apply if you have received one of the following benefits before a change has taken place:

- Jobseekers Allowance;
- Income Support;
- Income Related Employment and Support Allowance;
- Or a combination of these benefits continuously for at least 26 weeks;
- Or Incapacity Benefit;
- Severe Disablement Allowance;
- Contributory Employment and Support Allowance.

If your Income Support, income-based Jobseeker's Allowance or income-related Employment & Support Allowance or Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stops because of work, then extended Payments of Council Tax Support are available. The payment is an extra four weeks of support to help pay towards your Council Tax when certain other benefits stop because you are going back to work, working more hours or earning more money.

You will be entitled to an Extended Payment if you or your partner, or civil partner (and they remain a partner throughout the claim) have stopped getting one of the benefits mentioned below because one of you is expected to do one of the following for five weeks or more:

- Return to work full time;
- Work more hours;
- Earn more money;

and you have been getting one of the following benefits:

- Jobseeker's Allowance, Income Support, or income-related Employment & Support Allowance or a combination of these benefits continuously for at least 26 weeks;

or

- Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance continuously for at least 26 weeks;

But if immediately before starting your job or increasing your hours your Incapacity Benefit, Severe Disablement Allowance or contributory Employment & Support Allowance stopped and you received income – based on Jobseekers Allowance,

Income Support, or income-related Employment & Support Allowance, you will **not** qualify for an Extended Payment.

Capital

Capital will only affect your income if you are working age and have more than £6,000..

Absence from home

You will be entitled to receive Local Council Reduction if you are absent from you home for short periods but intend to return.

If you are absent from your home you can receive Local Council Tax Support for up to 52 weeks as long as:

- You intend to return home;
- While you are away your home will not be sublet; or
- You are in hospital;
- You are held in remand.

Backdate Council Tax Reduction

Your claim for Local Council Tax Reduction will start from the date you contact the Council as long as your claim is completed within one month from the first point of contact.

Your claim can be backdated if you can show continuous good cause why you did not make a claim earlier. If you are of working age your claim can be backdated for up to 3 months as long as there was continuous good cause why you were unable to make the claim during the backdate period. If you are of pension age the same criteria apply but the maximum back date is for 3 months.

People who live with you – Non dependants

People who normally share your accommodation but are not dependent on you for financial support are known as non-dependants. Others who live with you such as a family and any children you have fostered do not count as non-dependants.

Non – dependent deductions

Deductions will be made from your Local Council Reduction for non-dependents over the age of 18 who live with you. The following deductions will be made: - Non-dependant deductions uprated to equal the prescribed 2016-17 values for pensioners; legislation pending at the time of writing

Non-dependent	Rate £ per week
Student	
In receipt of Income Support / Job Seekers Allowance / Employment Support Allowance, universal Credit (no earned income)	
Not in remunerative work not on JSA / ESA/ IS	
In remunerative work maximum up to age 18	
Up to £183 a week income	

Up to £316 a week income	
Up to £394 a week income	
More than £394 a week	

A deduction will not be made from your Local Council Reduction:

- The non-dependants normal home is somewhere else; or
- You, or your partner, are registered blind or treated as blind; or
- You, or your partner, are receiving the care component of Disability Living Allowance or Attendance Allowance in respect of yourself or your partner; or
- The non-dependant is receiving the guarantee credit element of State Pension Credit, Income Support or income-based JSA or income-related Employment & Support Allowance; or
- The non-dependant is a prisoner; or
- The non-dependant is severely mentally impaired; or
- The non-dependant is over 18 but Child Benefit is still payable for them; or
- The non-dependant is a student nurse or apprentice or on Youth Training; or
- The non-dependant has been a patient in hospital for 54 weeks or more; or
- The non-dependant is living in a residential care or nursing home; or
- The non-dependant is a care worker; or
- The non-dependant is a resident of a hostel or night shelter for the homeless; or
- The non-dependant is a full-time student (even if they work full-time in the summer vacation).

A deduction may be delayed for 26 weeks if you or your partner are aged 65 or more and a non-dependant moves into your home, or the non-dependants' circumstances change to increase the deduction.

Income greater than Living Allowance or applicable amount

If your income is greater than the defined Living Allowance the Council Tax Benefit will be reduced. The reduction is 21% of the difference between your income and Living Allowance. This difference is taken away from the maximum Local Council Tax Benefit you could get adjusted for any non-dependants.

Living Allowances or applicable amounts

The living allowance or applicable amount represents the needs of you and your family if you have one. The larger your family the larger you're applicable amount. The applicable amount is made up of three parts:

- A personal allowance; and
- Personal allowances for children in your family; and
- Premiums.

Personal allowance

Your applicable amount always includes a personal allowance. Different amounts apply according to your age and whether you have a partner. 2015/16 rates will apply to the scheme,

Personal allowances for children

If you are looking after children (other than foster children) then you get an allowance for each child included in your applicable amount according to his or her age. This allowance is included until that child leaves school or reaches their 20th birthday.

A special rule applies if the child has left school and started work before the Child Benefit stops.

Premiums for your family

Once personal allowances and allowances for children have been worked out, premiums can be added – if they apply – to make up your applicable amount.

Your Children

A family premium will be included if you have any dependent children in your household. No matter how many children you have, you can only get one family premium.

Premiums or components for disabilities

These premiums are included in your applicable amount for people in your family with disabilities. There are three premiums and two components in this group:

Disabled child premium (for each disabled child in your household);
Disability premium (if you or your partner gets one of the benefits listed below or you have been off sick for more than 52 weeks);
Severe disability premium (if you are disabled and live in special circumstances);
Work related activity component; and
Support component.

Disabled child premium

The disabled child premium is a flat-rate premium, which may be awarded for each disabled child in your household and can be included with any other premiums. Your child is considered disabled if they are:

Registered blind;
or receiving Disability Living Allowance.

Disability Premium

Disability premium will be included in your applicable amount if you and your partner are aged less than pension credit age and:

Either of you is registered blind; or
Either of you gets one of the qualifying benefits listed below; or
Has been off sick for 52 weeks or more.

Qualifying benefits

You will get the disability premium if you or your partner gets any of the following benefits:

Disability Living Allowance; or
Personal Independence Payment; or
Working Tax Credit Disability Element; or
Constant Attendance Allowance; or
War pensioners' mobility supplement; or
Severe Disablement Allowance; or
Incapacity Benefit – long term rate.

Severe disability premium

This premium cannot be included on its own. You must first qualify for the disability premium.

If you are single or a lone parent, the severe disability premium may be included in your applicable amount if you:

Receive the care component of Disability Living Allowance at the highest or middle rate, Attendance Allowance or Constant Attendance Allowance or the daily living component of Personal Independence Payment; and
Live alone (but if others live with you, see below); and
No one receives Carer's Allowance for looking after you.

If you have a partner, you may get the severe disability premium if you both:

Receive the care component of Disability Living Allowance (DLA) at the highest or middle rate, Attendance Allowance (AA or Constant Attendance Allowance or the daily living component of Personal Independence Payment; or
Your partner is blind and you receive the care component of DLA at the highest or middle rate, AA or Constant Attendance Allowance; and
No one lives with you; and
No one receives Carers Allowance for looking after either one or both of you.

For the purposes of severe disability premium your Council Tax Support is not affected if other people living with you are:

Children; or
Aged 16-17; or
A person who is registered blind; or
Receiving the care component of Disability Living Allowance (DLA) at the highest or middle rate, or Attendance Allowance (AA) or the daily living component of Personal Independence Payment; or
People caring for you who are employed by a charity that makes a charge for this service.

Enhanced Disability Premium

Enhanced Disability Premium is awarded where you, or a member of your family, who is aged under 60 receives the highest rate of Disabled Living Allowance (DLA) or where the claimant is in receipt of Employment & Support Allowance Support Component or the daily living component of Personal Independence Payment. This premium will remain in payment if the DLA is suspended during hospitalisation. This premium is awarded at three different rates. They are:

A rate for each dependent child / young person in your household who receives the highest rate of DLA;

A rate for a single person who receives the highest rate of DLA or the daily living component of Personal Independence Payment;

A rate for couples where at least one member of the couple receives the highest rate of DLA or the daily living component of Personal Independence Payment.

Work related activity component

This is awarded if you or your partner receives main phase Employment & support Allowance and receive a similar component within that benefit.

Support Component

This is awarded if you or your partner receives main phase Employment & Support Allowance and receive a similar component within that benefit.

Caring Premium

The Carer Premium is awarded if either you or your partner are looking after a disabled person and:

Receive Carer's Allowance; or

Made a claim for Carer's Allowance and would be entitled but for an overlapping benefit.

If both you and your partner satisfy the qualifying conditions two premiums can be awarded.

The Carer Premium continues for eight weeks after caring ceases.

Calculating Resources

Your resources are made up of your income and your capital. These are worked out as a weekly amount of income.

Income

Income is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources. Depending on the type of income, it may be completely or partially ignored in the calculation of your Council Tax Support (the disregards), or take fully into account.

Normally, your resources and those of your partner are taken together when your income and capital are worked out.

Income from employment

This explains what counts as your income from work you do, when you are employed by someone else. If you are a company director or any other officeholder in a company you are classed as an employee of that company.

Earnings from employment means any money you are paid when you work for someone else. This includes the following types of payments:

Bonuses or commission (including tips);

Money you get instead of your normal pay (for example, a liquidator may give you money when your employer stops trading and you are owed pay);

Money you get in place of notice to end your employment, or money you get to make up for losing your job;
Money you get for holidays you did not take (holiday pay) – but not holiday pay owed to you more than four weeks after you stopped work;
Money you get if you are kept on while doing no work (for example, a retainer paid to school cooks during school holidays);
Expenses you are given to cover your travel to and from work;
Expenses you are given to cover the costs of looking after someone in your family;
Any expenses you are given that are not essential for you to carry out your work;
Money you get, under the Employment Protection (Consolidation) Act 1978, when you are not given work because of bad weather, or money you get because of unfair dismissal;
Money that an industrial tribunal orders your employer to give you if the period of notice or redundancy that is required by law has not been given;
Money you get from your former employer's redundancy funds if the business goes into liquidation;
Statutory Sick Pay or Statutory Maternity Pay;
Statutory Paternity Pay and Statutory Adoption Pay;
Employer's sick pay or employer's maternity pay;
Earnings from permitted work, that is, work while you are getting an incapacity benefit which your doctor thinks would benefit your health.

Earnings from employment do not include:

Payment in kind (where no money is involved);
Expenses you are given that are essential for you to carry out work;
Any occupational pension.

Net earnings

Once your gross earnings have been worked out, the Council will take away:

Your income tax payments;
Your National Insurance (NI) contributions; and
Half of any contributions you make to an occupational or personal pension scheme (any amounts paid to a pension scheme by your employer do not count).

This gives your net earnings, which are used to work out your Council Tax Support.

Self-employed earnings – change

If you are self-employed, all the money you earn when you are not employed by someone else is known as your earnings from self-employment. You may have self-employed earnings even if you are also working for someone else, or if you are a franchise holder.

When working out your earnings the Council will want to know how much you earn when you are self-employed, and you will be asked to provide evidence, if possible, of how much you earn.

There are three stages in working out your self-employed earnings. The first is calculating the gross profit of your business. In the second stage, deductions – which are called allowable expenses – are taken away from the gross profit to give the net profit of the business. In the third stage, tax, National Insurance, and half of any pension payments are taken away from your net profit to give your net earnings.

When calculating income for working age self-employed peoples it will be assumed that after 12 months the self-employed person is earning national living wage

The Council proposes to use the national minimum wage to the hours worked in the business to set a minimum income for self-employed. If a person earns less than this then the minimum income figure will be used instead of actual earnings. The Council will assume the minimum hours for a single person to be 16 hours a week and 24 for a couple.

The proposal will only apply when the business has been running for one year and only one start-up in a five year period.

The national minimum rates are usually uprated every October

Childminders

If you are a childminder only one third of your earnings from childminding will be taken into account when your Council works out your Council Tax Support.

Earnings and earnings disregards

After working out your net earnings, any amount that is not counted in the calculation of your Council Tax Reduction is known as a disregard.

The amount of your earnings that is disregarded depends on which premium is included in your living allowance (applicable amount). There is more information on the living allowance.

When £10 is not counted

If you are single and you cannot get a greater disregard by any of the means explained below, up to £10 of your weekly earnings will not be counted (the £10 disregard).

When £15 is not counted

If you have a partner and you cannot get the £15 disregard by any of the means explained below, up to £15 of your joint weekly earning will not be counted (the £15 disregard).

When £25s not counted

£25 per week of your earnings will not be counted if your living allowance (applicable amount) includes:

A disability premium; or
The severe disability premium; or
A component with Employment & Support Allowance; or
The carer premium (where the carer is working).

If both you and your partner are carers, the total disregard cannot be more than £25. The carer premium and this earnings disregard can continue for a further eight weeks after caring ceases.

If you have a partner, your earnings are added together when your Council Tax Support is worked out.

If you cannot get the £25 disregard under the above categories, you may still be able to get it if you are:

A part-time firefighter; or
An auxiliary coastguard; or
A part-time member of a crew launching or manning a lifeboat; or
A member of the Territorial Army or the Reserve Forces.

When £30 is not counted

If you are a lone parent up to £30 of your weekly earnings will not be counted (the £30 disregard).

Additional disregard

If you work on average 30 hours a week or more you will usually be able to get an extra earnings disregard. In certain circumstances you can also qualify for the higher earnings disregard if you work 16 hours or more e.g. if you are a lone parent or disabled. This is the same amount as the 30 hour tax credit in your Working Tax Credit (WTC).

Childcare charges

In certain circumstances, average childcare charges of up to £175 (for one child) or up to £300 for two or more children per week per family can be offset against your earnings. This disregard, which is in addition to the other earnings disregards, is available to:

Lone parents who are working 16 hours or more per week;
Couples where both are working 16 hours or more per week;
Couples where one member is working 16 hours or more per week and, generally, the disability premium, or, in certain circumstances, the higher pensioner premium, is included in the applicable amount on account of the other member's incapacity or the member is in hospital or in prison.

It applies where formal childcare is provided by, for example, registered childminders or day nurseries for children until the first Monday in September following their 15th birthday (or the 16th for children who are entitled to Disability Living Allowance or who are registered blind).

In certain circumstances, help with childcare costs can be given while you are on maternity leave or paternity or adoption leave or you are sick. The Council will be able to give you more details.

In some other cases explained here, different amounts of your earnings are not counted.

If you are in receipt of the Guarantee Credit element of state Pension Credit, Income Support, income-based Jobseeker's Allowance or income related Employment & Support Allowance then any earnings you get will not be counted again in working out Council Tax Support.

Notional Earnings

If you have done some work and you seem to have been paid very little for it, then the Council will estimate what that work is worth. If you have a good reason for the pay being so low – for example, if you worked for someone who had very little money – then you should let the Council know. If necessary, the Council may check your statement of earnings by asking your employer.

Other income

Other income is all the other money you have coming in apart from earnings from employment or self –employment. It is sometimes called unearned income. In some cases none of your unearned income is counted. Sometimes part of it is counted, in other cases it is all counted.

State benefits

The following benefits are counted in full as income for local Council Tax Reduction

- Contribution-based Jobseeker's Allowance;
- Contribution-based employment & Support Allowance;
- Universal Credit (the child care costs element and housing costs element will be ignored);
- State Pension;
- Incapacity Benefit;
- Severe Disablement Allowance;
- Carer's Allowance;
- Industrial Injuries Disablement Benefit;
- Industrial Death Benefit;
- Working Tax Credit;
- Child Tax Credit (ignored if you or your partner are pension age);
- Savings Credit or Pension Credit;
- Bereavement Benefits (ignored if you or your partner are pension age).
- Child maintenance; Child maintenance payments fully taken into account including applications and awards where the applicant or any partner receives Income Support, Jobseekers Allowance (Income-based), Employment and Support Allowance (Income-related) and Universal Credit.

Unearned income that is not counted

The following types of income are not counted by the Council when it works out your Council Tax Support:

- Any income you get if you are getting the Guarantee Credit element of State Pension Credit, Income Support, income related Employment & Support Allowance (ESAIR) or income-based Jobseeker's Allowance (JSA);
- Disability Living Allowance (DLA);
- Personal Independence Payment;
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA);
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries Disablement Benefit;
- Child Benefit;
- Money you get which takes the place of DLA, AA, CAA, or Income Support;

- War pensioners' mobility supplement;
- Any money you get from the Social Fund;
- Guardian's Allowance;
- Money you get as a holder of the Victoria Cross, the George Cross, or any comparable award;
- Any grants or allowances you get from your local education authority if you have a dependent child who continues in education after school leaving age;
- Any training premium and any refunded travelling expenses or living away from home allowances when you are on a Department for Education and Employment Training Scheme training course or at an employment rehabilitation centre;
- Any money such as interest or dividends from savings or investments;
- Any expenses you get from an employer that you need to carry out your work;
- Any expenses you get from a charity so that you can carry out unpaid work;
- Any income in kind (where you are given something other than money);
- Any income you have which has been held back outside this country, as long as it remains held back, and it is not within your control;
- Any money you get for fostering a child;
- Any money you get for looking after an elderly or disabled person temporarily (community boarding or schemes);

Any money you get from local Social Services Department to help keep a child at home instead of putting them into care;

Any Council Tax Benefit / Council Tax Support you receive;

Special payments made with your War Widow's Pension if you have been designated as a pre-1973 war widow;

Any charitable or voluntary payments which are made regularly;

Payments made under the Employment Department's 'Access to Work' scheme for disabled people; or

War Disablement Pension or a War Widow's / Widower's Pension, or any similar payment from another country.

Some types of income may be counted as capital.

Unearned income that is counted as part

The following are the types of unearned income that are only partly counted.

The first £15 of Widowed Mother's Allowance or Widowed Parent's Allowance;

The first £20 of any money from sub-tenants; or

The first £20 then 50% of the excess of money you receive from a boarder is ignored.

The balance is treated as income.

If you receive child maintenance for a child you have responsibility for then this will be taken into account when calculating your income.

Notional income

The Council may think that there is income, which you could get, but you are not claiming. This is known as notional income because you do not actually receive that income. The Council may take this into account for council Tax Support purposes.

Parental contributions to students

If you are making a parental contribution to a student then part of your income is not counted to take account of this.

Capital

Your capital includes savings and investments held by yourself in any form (for example, bank and building society accounts, investment trusts, and shares) from any source (for example, inheritance, redundancy payments, and irregular payments from a charitable or voluntary source). It will normally also include the net sale value of land and housing that you not occupy, after deducting 10% for expenses of sale.

If you have a partner, capital belonging to your partner is treated as yours for the purposes of Council Tax Reduction.

Capital outside the United Kingdom

If you have capital – in the form of liquid or fixed assets – outside this country, the Council will need to know how soon it can be transferred and how much it is worth. If the capital cannot be brought into this country, enquiries will be made about how easily it can be sold, and whether a willing buyer can be found. If no willing buyer can be found, it may not be counted.

Capital for working age scheme

If you have capital up to £6,000 this will not be taken in account in calculating your income. The Council will use the amount of capital you have either at the start of the Local Council Tax Benefit scheme if you were in receipt of the national Council Tax Benefit or when you make an application for the local scheme to calculate your income. If your capital reduces during the year this will not change your Local Council Tax Benefit entitlement.

If you have capital above £6,000 your Local Council Tax Benefit will be reduced. If you had capital above £6,000 six months prior to your application for Local Council Tax Benefit this will be considered when deciding whether you should receive Local Council Tax Benefit. Capital over £6,000 up to £16,000 will be taken into account at £1 a week for each £250 (or part £250)

Capital for Pension Age Scheme

The first £10,000 of capital is not counted. Capital over £10,000 up to £16,000 will be taken into account at £1 a week for each £500 (or part of £500) of capital over £6,000. Actual interest payments or dividends are not counted as income but as capital.

For customers who receive the Guarantee Credit element of State Pension Credit there is no upper limit on the capital you can have.

Personal possessions

Personal possessions – for example, a car, furniture and fittings in your house, and family belongings – are usually not included in the calculation of capital. However, this may not be the case where the council has good reason to believe that something has been bought to reduce your capital in order to gain or increase entitlement to benefit. If the council decides that you deliberately got rid of capital just so that you can get

Council Tax Support, it may assume that you have notional capital to the value of the capital you disposed of.

If you own your own home

The value of your property (including the house, garage, and outbuildings) is not counted unless any part of the property could reasonably be sold off separately. Loans raised on the property will be counted as capital.

Property you own but do not occupy

The value of this property is counted as capital but you may be able to get HB / CTB even if the value of the property means that your savings are more than £16,000. This is because the value of the property may be ignored when your savings are worked out, in certain circumstances.

If the property is occupied by an elderly or disabled relative as their home, its value is not taken into account for as long as it is so occupied.

If you have recently acquired the property and you intend to occupy it as your home, its value may not be counted for 26 weeks, or for a longer period if reasonable, from the date you acquired it.

If you are trying to sell the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if you are finding it difficult to sell the property.

If you are carrying out essential repairs or alterations so that you can live in the property, its value may not be counted for a period of 26 weeks from the date you first arranged for repairs to be carried out. It may not be counted for longer than this if you are finding it difficult to finish the work.

If you are taking legal action so that you can live in the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if legal action is continuing and you cannot live in the property.

Deposits on your accommodation

Sums that have to be deposited with a housing association or landlord as a condition of your tenancy are not counted.

Earmarked capital

If capital from the sale of a house is kept for a house purchase, it is not counted for up to six months, or longer if:

- Major repairs or adaptations are needed for you to occupy your home; or
- The completion of the purchase of your new home is unavoidably delayed.

Compensation received for a burglary or for damage to or loss of a house is also not counted for six months, as long as it is to be used for repair or replacement.

Valuation of property

Property will be valued at the price it would be expected to fetch on the open market, less any outstanding mortgage or legal charges on the property. Ten per cent of the current market value will also be deducted to take into account the cost of the sale.

If you have property outside the United Kingdom and there is no restriction on transferring money to this country, your property will be valued at its local sale value. If there is a restriction, its notional value will be the value of a sale to someone in the UK. In both cases, any outstanding legal charges on the property or mortgages will be deducted, together with 10% of the total to cover the cost of the sale.

National Savings Certificates

National Savings Certificates of the current issue are valued at purchase price. Certificates of a previous issue are valued as if they were purchased on the last day of that issue.

Life assurance policies

The surrender value of life assurance policies is not taken into account when assessing Council Tax Support.

Arrears of benefits

Any arrears of Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit that you get are not counted for up to 12 months.

Lump sum payment of deferred State Pension

The gross amount of lump sum, or an interim payment made on account of a final lump sum, paid at the end of the period of deferring State Pension will be disregarded as capital for the life of the recipient.

Compensation payments

For Council Tax Support purposes, compensation payments will normally be counted as full as capital. Capital will not be counted if it is held in trust or by the 'Court of Protection' as a result of a personal injury payment – for example, a criminal injury payment or a vaccine damage payment. For persons of Pension Age compensation payments made as a result of personal injury are ignored whether or not placed in a trust.

Notional Capital

The Council may think that there is capital which you could get but which you do not have. This is known as notional capital because you do not actually possess that capital.

- Capital you have disposed of – you will be treated as having notional capital if you have disposed of capital in order to get Council Tax Support or to get more Council Tax Support.

- Capital you could have got – if you have the right to money held in a private trust, then that is actually your capital, and will be taken fully into account.

If the Council has decided to treat you as possessing notional capital they will reduce the amount of this capital on a regular basis by a set calculation. This calculation reduces your notional capital by the amount of support you have lost as a result of deprivation.

Council Tax Reduction is not normally available for students. The exceptions are:

- Vulnerable students, such as disabled students and lone parents;
- Part-time students;
- Couples where one partner is not a student.