

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO EACH MEMBER OF THE
CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

28 August 2012

Dear Councillor

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE - Tuesday 11
September 2012**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following additional report(s), which were listed as reports to follow:-

12. Council Tax Support

To consider the Council's draft policy on localised Council Tax support.

Should you have any queries regarding the above please contact Democratic Services on
Tel: 0300 300 4175

Yours sincerely

Bernard Carter
Corporate Scrutiny & Research Manager
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Meeting: Corporate Resources Overview and Scrutiny Committee
Date: 11 September 2012
Subject: Draft Council Tax Support Scheme
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources
Summary: The report summarises the Councils draft Council Tax Support scheme and the communications and consultation plan for the draft scheme

Advising Officer: Charles Warboys, Chief Financial Officer
 Contact Officer: Gary Muskett, Head of Revenues & Benefits
 Public/Exempt: Public
 Wards Affected: All
 Function of:

CORPORATE IMPLICATIONS	
Council Priorities:	
1.	By protecting vulnerable and elderly people as well as providing incentives to work, the proposed Council Tax Support (CTS) scheme should be designed to support the Council's Medium Term Plan priorities of : <ul style="list-style-type: none"> • Promoting health and wellbeing and protecting the vulnerable. • Improved educational attainment.
Financial:	
2.	Provisional Government funding to local authorities for Council Tax Support (CTS) schemes is based on 10% of the forecast Council Tax Benefit (CTB) expenditure for 2012/13. There are indications this is a low estimate and the real figure could be as high as 14%. The funding will be an up-front allocation for all billing and major precepting authorities, and will not be ring-fenced. The Council will not receive confirmation of the grant receivable until late November or early December 2012, as part of the 2013/14 Formula Grant consultation.
3.	The gross CTB expenditure within Central Bedfordshire is presently £16.8m and the Department for Communities and Local Government (DCLG) proposed funding will leave a shortfall of about £2.5m for the Council to deliver a CTS scheme.
4.	The proposed reduction in funding represents a significant financial risk, as it will not include any provision to manage increased take up which is likely to happen due to the number of new properties being built within Central Bedfordshire during the short and medium term. The current CTB is the most under-claimed of all benefits, which again indicates that there is considerable scope for an increase in take up under the new CTS scheme.

5. The Council will have to design a new Council Tax Support scheme that achieves a balance between delivering the expenditure reductions required and managing any adverse financial consequences on other Council budgets, for example homelessness and, not least, the effect on Council Tax collection rates and the estimated increased cost of collection. The Council also needs to be mindful of the impact of its scheme on local residents.

Legal:

6. The current Council Tax Benefit system will be abolished on 31 March 2013 under Section 33 of the Welfare Reform Act 2012, which received Royal Assent on 8 March 2012.
Another bill currently progressing through Parliament is the Local Government Finance (the Bill) and this contains proposals for the replacement of CTB with local "Council Tax Support schemes" designed by individual local authorities. The Bill prescribes certain steps in the design of the local scheme, such as consultation and publication, and enables the Secretary of State to introduce both Regulations and Guidance relating to the local schemes.
The Government has stated its intent that vulnerable people and pensioners will be protected and will not lose or gain relative to the current CTB scheme.
7. The Government are requiring local authorities to have a CTS scheme adopted by 31 January 2013 and be implemented from 1 April 2013. Any authorities that have not adopted a scheme in these timescales will have a default scheme imposed by DCLG.

Risk Management:

8. The transfer from Council Tax Benefit to localised Council Tax Support means the impact of increased demand and cost will be a risk for all major preceptors.
9. The Council and its precepting partners will need to monitor closely local social and economic changes and ensure there is a contingency for possible future shortfalls in funding. This may mean that the scheme designed needs to allow for these risks by providing for savings in excess of the currently known reduction in funding.

Staffing (including Trades Unions):

10. In the short term, the introduction of a local CTS scheme is likely to lead to a significant increase in the number of customers who contact the Council. These contacts will need to be managed by the Revenues and Benefits teams and Customer Services.

Equalities/Human Rights:

11. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The impact of the new localised scheme will need careful consideration throughout the design and implementation of the new scheme.

12. A thorough consultation and engagement process is planned to support this. A full Equalities Impact Assessment is being prepared to identify the potential impact on different groups and to support the decision on the proposed scheme. This will be refined following feedback from the formal consultation process and be used to inform the decision on the final scheme.

Public Health

13. None

Community Safety:

14. None.

Sustainability:

15. None

Procurement:

16. None

RECOMMENDATION(S):

The Committee is asked to: - Review and comment on the Councils draft Council Tax Support scheme and communications and consultation plan as set out in the appendices and Executive report of 21 August.

17. In November 2010 the Government announced a major overhaul of the current benefits system (the Welfare Reform Bill). Part of this reform included the abolition of Council Tax Benefit (CTB). This will be replaced by local Council Tax Support (CTS) schemes administered by individual billing authorities.
18. The CTS reforms require local authorities to design their own schemes to deliver Council Tax Support. The schemes will be implemented from April 2013 but must be agreed by Full Council by 31 January 2013.
19. As part of the 2010 Spending Review, the Government also announced that from April 2013 it will reduce expenditure on CTB by 10% and this will be provided to local authorities through DCLG grant funding. However, the real figure is likely to be higher because the Government has based its calculations on a notional future measure of expenditure.
20. Under the current national CTB system there is no "cap" on CTB expenditure with the Department for Works and Pensions (DWP) fully reimbursing billing authorities for spending on CTB. Under the new arrangements, DCLG will instead provide local authorities with an unringfenced specific grant that authorities can then use as they see fit to meet the CTS liabilities that their own schemes commit them to.

Central Bedfordshire Council local CTS scheme proposals

21. The Government has stated that pensioner claimants shall be protected from the effects of any changes by a national framework that addresses eligibility and amounts.
22. In relation to claimants of working age, consideration has been given by Central Bedfordshire Council to continuing the existing national Council Tax Benefit framework within a new local scheme (i.e. making no changes) and the funding implications that would apply to this, which would require the Council to find savings elsewhere in order to fund the CTS scheme.
23. Consideration has also been given to reducing any potential funding shortfall that would arise from the changes by reviewing the Council Tax discounts and exemptions that are currently applied to vacant properties within the district including long term empty homes and second homes. However, this alone would not fully achieve the levels of financial savings needed to meet the funding reduction.
24. The Central Bedfordshire Council draft scheme has been based on 4 key principles:
 1. Affordability
 2. A fair contribution, those who can pay, should pay
 3. The scheme should incentivise work
 4. The most vulnerable claimants should be protected (from the minimum contribution)

Details of these 4 key principles can be found in appendix B to this report.

Key Risks with the draft CTS scheme

Legal Challenge

25. The risk of legal challenge for the new local Council Tax Support scheme is high if the Council fails to do a thorough job of examining the consequences for its communities of the proposed scheme. This will require a full equality impact assessment informed by the consultation responses and other information known to the Council.
26. Due to the composition in current claimant categories i.e. a high number of pensioner claimants which must be protected under the new scheme, working age claimants are likely to be most affected. This category of claimants is already experiencing reductions in income as a result of other Welfare Reform changes.
27. There is a risk of challenge on any proposed local Council Tax Support scheme by pressure groups and charities representing various claimant categories.

Risks of the cost of the adopted scheme not matching the modelled cost

28. There are a number of factors and variables which impact on the cost of the scheme such as demand growth, Council Tax collection rates, income from empty property charges and administration costs. As a result the Council will face difficulties in predicting the exact cost of the scheme. The scheme has to be set a year at a time and it is not possible to change the scheme mid year. It will be important to monitor the cost of the scheme and regularly review it to minimise the risk that it unexpectedly impacts on the Councils budget.

Collection risks

29. It inevitable that, whichever option is chosen, there will be some people who have never had to pay any Council Tax in the past will now have to make a contribution of some kind. These people are those who would be considered, under the current rules, unable to afford Council Tax. It is likely that it will be more difficult to Collect Tax from these individuals and this may result in a fall in the overall level of tax collection. This has to some extent been accounted for within the modelling, but the actual impact is unknown.

Implementation risks

30. The scheme has to be implemented in the timescales available despite late guidance being issued by DCLG and the legal framework not being in place. Not implementing a local scheme means the default scheme being used in Central Bedfordshire. This is likely to be based on the current scheme which would leave the Council with having to find an estimated £2.5m.

IT risks

31. Civica, the Council's current software supplier has committed to releasing a module for Council Tax Support in December 2012. It is understood that this will enable our draft scheme to be adopted. The new module will need to be configured with the Council's current scheme as well as implementing, testing and staff training. The costs of this are not yet known.

Risk of failing to implement the local scheme

32. If the Council fails to implement a scheme by 31 January then the default scheme will apply for 2013/14. This scheme is in effect a continuation of the current Council Tax Benefit scheme. Since the Council does not have funding from the government to pay for this, the Council would incur an additional cost of approximately £2.5m

Appendices:

- Appendix A – General information about the Central Bedfordshire Council CTS scheme
- Appendix B – Key principles of the Central Bedfordshire Council CTS scheme
- Appendix C – Premiums & Allowances used in the Central Bedfordshire Council CTS
- Appendix D – Draft Central Bedfordshire Council CTS scheme
- Appendix E – Proposed changes to Council Tax Discounts and Exemptions
- Appendix F – Executive report dated 21 August 2012
- Appendix G – Communication and Consultation Plan

Background papers and their location: (open to public inspection)

1. Welfare Reform Bill (February 2011)
2. Localising Support for Council Tax in England (Government Consultation paper: August 2011)
3. Localising Support for Council Tax in England Government's response to the outcome of consultation (December 2011)
4. Localised support for Council Tax – An update on the reform proposals (CMT Report April 2011)

Appendix A – General information

Government proposals

In April 2013 Council Tax Benefit, the current means of helping people on low incomes meet their Council Tax obligation, will be replaced by a new localised support scheme known as Council Tax Support (CTS).

The Government has said that it wishes to protect pensioners in the scheme. For all other recipients, there is a requirement to agree local eligibility criteria.

This means that for working age people, local councils are required to design their own scheme to provide help with Council Tax.

The Government's proposals have three stated objectives:

- creating the right incentives to get more people into work by ensuring that work always pays,
- protecting the most vulnerable people, and
- delivering fairness to those claiming benefit and to the taxpayer.

Under the existing Council Tax Benefit scheme, the Council generally receives 100 per cent from the Government for the amount of Council Tax Benefit it pays out to local claimants. However, under the new system it will be given a specific sum by the Government to make support payments. This sum will be at least ten per cent less than the amount that is currently paid out as Council Tax Benefit.

This also means that any increases in CTS expenditure during the year, such as an increase in the number of claimants claiming support, will need to be funded by the Council in addition to the immediate ten per cent reduction. This is currently anticipated to amount to £2.5 million for 2013/14.

Each local authority must carry out a consultation exercise concerning their draft scheme proposals and must define and publish its local CTS scheme by 31 January 2013. If the scheme is not defined and published by this date, a default scheme will be imposed by the government and the funding reduction will need to be met from other means including for example, increasing Council Tax levels or reducing other service expenditure.

Central Bedfordshire Council local CTS scheme proposals

The Government has stated that pensioner claimants shall be protected from the effects of any changes by a national framework that addresses eligibility and amounts.

In relation to claimants of working age, consideration has been given by Central Bedfordshire Council to continuing the existing national Council Tax Benefit framework within a new local scheme (i.e. making no changes) and

the funding implications that would apply to this, which would require the Council to find savings elsewhere in order to fund the CTS scheme.

Consideration has also been given to reducing any potential funding shortfall that would arise from the changes by reviewing the Council Tax discounts and exemptions that are currently applied to vacant properties within the district including long term empty homes and second homes. However, this alone would not fully achieve the levels of financial savings needed to meet the funding reduction.

Central Bedfordshire Council is undertaking this consultation between the period 22 August and 14 November 2012. This timescale has been determined following receipt of policy statements of intent published by the Department for Communities and Local Government (DCLG) on 17 May 2012 and to permit sufficient time to evaluate responses received and to meet the Council's budget setting timetable.

Central Bedfordshire Council wants to ensure that everyone who is a resident in the district (including organisations and voluntary groups) has an opportunity to have their say about the Council's proposed future replacement for Council Tax Benefit.

Questionnaires can be obtained from the Council locations listed below during normal opening hours. Access to the Council's draft scheme is also available from the locations below and on the Council's website www.centralbedfordshire.gov.uk/consultations :

Priory House Monks Walk Chicksands Shefford Beds SG17 5TQ	Watling House High Street North Dunstable Beds LU6 1LF
The Old Court House Woburn Street Amphill Beds MK45 2HX	73 High Street (Located with Jobcentre Plus) Biggleswade Beds SG18 0JH
Bossard House West Street Leighton Buzzard LU7 1DA	Tithe Farm Road Houghton Regis Beds LU5 5HA

Appendix B – Key principles

Principle 1: Affordability

The Council Tax Support scheme needs to be affordable and sustainable for the Council in the longer term rather than drawing on Council reserves, which can only be used once, or having any impact on frontline Council services.

Principle 2: A fair contribution, those who can pay, should pay

At present, claimants in receipt of income support, income-based jobseeker's allowance or income-related employment and support allowance and other claimants not receiving these but with an income equal to or below the required level for their basic living needs, generally receive 100 per cent Council Tax Benefit (CTB) and therefore pay no Council Tax.

The Council proposes that all working age claimants (unless protected) should pay at least 25 per cent of their Council Tax under the Council Tax Support scheme (CTS).

Principle 3: The scheme should incentivise work

At present, the first £5 of a single claimant's earnings, £10 of a couple's earnings, £25 of a single parent's earnings and £20 in certain circumstances are not counted when calculating their weekly income for the purposes of determining their entitlement to council tax benefit.

The Council proposes to increase this level by an additional £10 a week under its proposed scheme for single claimants, couples and single parents. This would mean that the first £15 of a single claimant's earnings, £20 of a couple's earnings, £35 of a single parent's earnings and £30 of earnings in certain circumstances would not be counted when calculating their entitlement to CTS.

Principle 4: The most vulnerable claimants should be protected (from the minimum contribution)

Claimants will be protected from the 25 per cent minimum contribution if they fall into any of the following categories:

- The claimant must or his partner or dependants must be entitled to one of the following:
 - (i) any of the disability premiums (awarded within the CTS scheme or income support, income-based jobseeker's allowance or income-related employment and support allowance)
 - (ii) disabled earnings disregard
 - (iii) Disabled Persons' Reduction for Council Tax purposes
 - (iv) War Disablement Pension or War Widow's Pension or

- The claimant must be a lone parent with a child under the age of 5 or
- The claimant must be a single person and on Carer's Allowance or
- The claimant must be on Carer's Allowance and where they have a partner, the partner is also on Carer's Allowance

Feature 1: Rate of allowances and premiums to be frozen at 2012/2013 levels

Premiums and personal allowances used to determine basic living needs (Applicable Amount) for a claimant and their family when calculating entitlement to CTS shall be held at the rates applied for 2012/13.

Feature 2: Removal of second adult rebate scheme for working age claimants

The current second adult rebate scheme (whereby claimants whose own income is too high to receive CTB, but have other adults(s) in the household whose income is low, can receive a Council Tax discount of up to 25%) is to be abolished for working age claimants.

Feature 3: Extended payments for working age claimants

The current extended payment scheme (whereby claimants can receive 4 weeks extra Council Tax Benefit when they or their partner start work, including self employment or their hours or earnings from current employment increase) is to be retained with our local CTS scheme.

Feature 4: Income in respect of Children

Currently the amount of income we use for benefit purposes can be lowered depending on what kind of income it is. This means that a claimant can have more money coming in before we begin to reduce the amount of benefit they get. We propose to continue disregarding income from Child Benefit and Child maintenance when we calculate a claimant's income.

Feature 5: Everyone in the household should contribute

At present, a deduction is generally made from potential weekly council tax benefit entitlement in respect of other adults aged 18 or over living in the claimant's home. These are referred to as non-dependants. **A non-dependant is a person who is living with the claimant but who is not dependent upon them, and not living in their home on a commercial basis, (i.e. as a joint tenant or sub tenant).** Non-dependants include an adult son or daughter, a mother or father, friend etc of the claimant.

These people are assumed to be giving the claimant some money towards their Council Tax regardless of whether or not they are actually doing so. This assumed contribution is based upon the non-dependant's circumstances.

The current deduction rates applied to Council Tax Benefit in 2012/13 and the proposed rates for the Council's local CTS scheme are shown in Appendix C.

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Appendix C

Premiums and allowances

At present, premiums and allowances are used to determine a working age claimant's basic living needs (Applicable Amount) for the purposes of the means test calculation performed. Under CTB these are prescribed by statute and the amounts concerned are currently increased annually.

Our proposal is to continue to apply the existing premiums and allowances used for the national Council Tax Benefit scheme with the relevant amounts retained at the 2012/13 levels and not subject to annual increases. Current premiums and allowances applied for 2012/13 are set out below:

Allowances and Premiums used to determine basic living needs	Weekly Amount in £
Single claimant aged 18 or over but less than 25	56.25
Single claimant aged 25 or over	71.00
Single claimant of any age and entitled to main phase employment support allowance	71.00
Single parent	71.00
Couple	111.45
Amount for a child from their date of birth to the day before the first Monday in September following their 16th birthday	64.99
Amount for a young person from the first Monday in September following their 16th birthday to the day before their 20th birthday	64.99
In the case of a polygamous marriage where none of the members of the marriage have reached the age of 60 and for the claimant and other party to the marriage	111.45
In the case of a polygamous marriage where none of the members of the marriage have reached the age of 60, for each additional spouse who is a member of the same household as the claimant	40.45
Family premium	17.40
Family premium (single parent rate)	22.20
Disability premium - single	30.35
Disability premium - couple	43.25

Enhanced disability premium - single	14.80
Enhanced disability premium - disabled child rate	22.89
Enhanced disability premium - couple	21.30
Severe disability premium - single	58.20
Severe disability premium - couple (lower rate)	58.20
Severe disability premium - couple (higher rate)	116.40
Disabled child premium	56.63
Carer premium	32.60
Components employment support allowance (income related) and contributory.	
Work-related activity component	28.15
Support component	34.05

Non dependant deductions

Currently a deduction is not made from CTB if the:

- The claimant or partner are registered blind or treated as blind
- The claimant or partner are receiving the care component of a disability living allowance, attendance allowance or the daily living component of a Personal Independence Payment
- The non-dependant is receiving state pension credit, income support, income-based job seekers allowance or income-related employment and support allowance
- The non-dependant is a disregarded person for Council Tax purposes i.e. is severely mentally impaired
- The non-dependant is a full-time student, apprentice or on Youth Training
- The non-dependant has been a hospital patient for 52 weeks or more
- The non-dependant is under 18 years of age

The same rules will apply for the proposed Council Tax Support scheme.

The rates of non-dependant deduction for Council Tax Benefit and proposed Council Tax Support are shown in the table below.

Description of Non-Dependant	Amount of Weekly Deduction in 2012/13 (£)	Proposed Weekly CTS Scheme Deduction (£)
Adult in receipt of state pension credit	Nil	Nil
Adult in receipt of income support, income-based jobseeker's allowance or income-related employment and support allowance	Nil	Nil
Adult in receipt of jobseeker's Allowance (Contribution Based) or employment and Support Allowance (Contribution Based)	3.30	5.00
Gross income of adult (working not less than 16 hours per week) is less than £183	3.30	5.00
Gross income of adult (working not less than 16 hours per week) is greater than or equal to £183 but less than £316	6.55	10.00
Gross income of adult (working not less than 16 hours per week) is greater than or equal to £316 but less than £394	8.25	12.00
Gross income of adult (working not less than 16 hours per week) is greater than or equal to £394	9.90	15.00
Adult working less than 16 hours per week	3.30	5.00
Any other adult not included in the above descriptions	3.30	5.00

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CENTRAL BEDFORDSHIRE COUNCIL

PROPOSED LOCAL COUNCIL TAX SUPPORT SCHEME

Published: 21st August 2012

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Glossary of Terms

Applicable Amount

Means the combination of allowances and premiums used to determine a claimant's basic living needs and against which their income is compared for the purposes of the means test performed.

Council Tax Liability

Means the amount set by the Council as the Council Tax charge for the relevant financial year less any discounts i.e. the 25% single occupancy discount

CTS

Means Council Tax Support – the proposed local means tested scheme for providing assistance with Council Tax, which replaces Council Tax Benefit from 1 April 2013.

CTB

Means Council Tax Benefit, (i.e. the existing national scheme which operates until 31 March 2013).

CTB Regulations

Means the existing Council Tax Benefit Regulations 2006 – which will be abolished from the 1 April 2013

Default Scheme Regulations

Means the Draft Council Tax Reduction Schemes (Default Scheme) Regulations. These can be found at:

<http://www.communities.gov.uk/publications/localgovernment/draftdefaultscemeregs>

These regulations are currently going through the parliamentary process before they become law.

Excess Income

Means the amount by which a claimant's weekly income exceeds their applicable amount.

Maximum Council Tax reduction amount

Means the Council Tax liability net of other Council Tax Discounts and non-dependant deductions.

Non Dependant

A non-dependant is a person who is residing with the claimant but who is not dependent upon them, and not residing in their home on a commercial basis, (i.e. as a joint tenant or sub tenant). Non-dependants generally include an adult son or daughter, a mother or father, friend, etc of the claimant.

Prescribed Regulations

Means the Draft Council Tax Reduction Schemes (Prescribed Requirements) Regulations. These contain the elements of the scheme that the Council are required by Central Government to include in our local scheme, and these can be found at:

<http://www.communities.gov.uk/publications/localgovernment/draftprescribedreqsregs>

These regulations are currently going through the parliamentary process before they become law.

Any requirements within the Prescribed Regulations applies to both Pensioners and Working Age where stated.

1.0 Introduction

In April 2013, Council Tax Benefit, the current means of helping people on low incomes meet their Council Tax obligations, will be replaced by a new localised support scheme defined by each Council.

The Government has stated that pensioners will be protected from the effects of the local schemes by a national framework of rules and eligibility. Working age claimants not being the subject of national rules and eligibility shall however be subject to the provisions of the locally defined scheme and not a national framework.

This document sets out:

- (i) The proposed Local Scheme for working age and
- (ii) The national scheme for pension age

The Council's proposed Local Scheme should be read in conjunction with the consultation questionnaire seeking comments and views on the proposed arrangements.

The proposals may be subject to change for example in response to findings from the consultation process and any statutory provisions made that take precedence over the scheme proposals.

However, the final scheme shall be subject to approval by the Council no later than 31st January 2013.

The Council is required to publish details of its proposed draft scheme and some of the contents of this document are by its very nature, technical in detail. However, we will be providing examples of how the proposals may affect entitlement in comparison to the existing Council Tax Benefit scheme on our web page at www.centralbedfordshire.gov.uk/consultations as well as responses to frequently asked questions.

1.1 Discretionary Reduction

In addition to the schemes for pensioners and working age the Council is able to reduce Council Tax Liability under its discretionary powers contained within section 13A(1)(c) of the Local Government Finance Act 1992.

A Council Tax payer should make an application in writing or electronically to the Council.

1.2 Classes

The rules of the Council Tax Support scheme divide the persons who can claim support into various classes. The classes or groups are set by Central Government for pensioners and the classes or groups for working age applicants are set by the Council. The classes are explained in detail in this document.

2.0 The Prescribed Regulations

The government's Prescribed Regulations will ensure that local Council Tax Support (CTS) schemes operated by Local Authorities contain any requirements prescribed by the Secretary of State, which are in the Prescribed Regulations. Currently, the following requirements are to be prescribed by the Secretary of State and will therefore apply to the Council's local CTS scheme and affect both working age and non-working age claims alike.

2.1 Persons from Abroad

The government intends to apply the same restrictions as exist under the Council Tax Benefit (CTB) Regulations to exclude foreign nationals with limited immigration status and non-economically active EEA individuals who are not exercising EU treaty rights from receiving CTS. The Prescribed Regulations relating to immigration status will mean that individuals subject to immigration control under Section 115 of the Immigration and Asylum Act 1999 and non-economically active EEA nationals who fall into various categories to be set out in Prescribed Regulations, will not benefit from CTS. This will replicate the current provisions in the CTB Regulations.

2.2 Refugees

Those persons that have recognised refugee status humanitarian protection, discretionary leave or exceptional leave to remain in the country outside of the immigration rules and who are exempt from the habitual residence test will be entitled to apply for Council Tax Support as long as their status has not been revoked.

2.3 Permitting a person to act for another person

Current arrangements for a person to act on behalf of another will continue. For example, where a person has been granted a power of attorney for a Council Tax Payer.

The proposed Local Scheme for Working Age Local CTS Scheme

3.0 Overview of scheme

The amount of support will be based upon individual circumstances and changes of circumstances will also be taken into account.

There will be six classes for each of which there will be a number of qualifying criteria. The class will determine the level of CTS that can be awarded.

A claimant is treated as a pensioner if they meet the conditions as stated in Part 1 and Part 2 of Prescribed Regulations and therefore do not fall within the Local CTS Scheme. They fall within the national scheme for Pension age, which is detailed at section 16 of this document.

In all cases claimants must not be of a prescribed class exempt from support, such as a person from abroad with limited leave to remain. Part 2 of Prescribed Regulations exclude such claimants.

There is a capital limit of £16,000 in order to qualify for CTS.

In the case of classes E, G and I below, the amount of a claimant's maximum Council Tax reduction amount shall be **75 per cent** of the amount A / B where:

- A is the amount set by the Council as the Council Tax for the relevant financial year in which they are a resident and for which they are liable, subject to any discount which may be appropriate and
- B is the number of days in that financial year,

Less any deductions in respect of non-dependants.

In the case of classes D, F and H below, which are **Protected Groups** the amount of a claimant's maximum Council Tax reduction amount shall be **100 per cent** of the amount A / B where:

- A is the amount set by the Council as the Council Tax for the relevant financial year in which they are a resident and for which they are liable, subject to any discount which may be appropriate and
- B is the number of days in that financial year,

Less any deductions in respect of non-dependants.

The protected groups are where the claimant must (or his partner or dependants must) be entitled to one of the following:

- (i) any of the disability premiums (awarded within the CTS scheme or income support, income- based jobseeker's allowance or income-related employment and support allowance)
- (ii) disabled earnings disregard
- (iii) Disabled Persons' Reduction for Council Tax purposes
- (iv) War Disablement Pension or War Widow's Pension or
- (v) be a lone parent with a child under the age of 5 or
- (vi) be a single person and on Carer's Allowance or
- (vii) be on Carer's Allowance and where they have a partner, the partner is also on Carer's Allowance.

4.0 Classes of persons entitled to Council Tax Support

4.1 Class D

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- be a person who is on Income Support, on an income-based jobseeker's allowance or on an income-related employment and support allowance
- or his partner or dependants must be entitled to one of the following:
 - (i) any of the disability premiums (awarded within the CTS scheme or income support, income- based jobseeker's allowance or income-related employment and support allowance)
 - (ii) disabled earnings disregard
 - (iii) Disabled Persons' Reduction for Council Tax purposes
 - (iv) War Disablement Pension or War Widow's Pension or
- be a lone parent with a child under the age of 5 or
- be a single person and on Carer's Allowance or
- be on Carer's Allowance and where they have a partner, the partner is also on Carer's Allowance
- have applied for the scheme

4.2 Class E

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- be a person who is on Income Support, on an income-based jobseeker's allowance or on an income-related employment and support allowance
- have applied for the scheme

4.3 Class F

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- not have capital savings above £16,000
- have income equal to or less than their applicable amount
- or his partner or dependants must be entitled to one of the following:
 - (i) any of the disability premiums (awarded within the CTS scheme or income support, income-based jobseeker's allowance or income-related employment and support allowance)
 - (ii) disabled earnings disregard
 - (iii) Disabled Persons' Reduction for Council Tax purposes
 - (iv) War Disablement Pension or War Widow's Pension or
- be a lone parent with a child under the age of 5 or
- be a single person and on Carer's Allowance or
- be on Carer's Allowance and where they have a partner, the partner is also on Carer's Allowance
- have applied for the scheme

4.4 Class G

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- not have capital savings above £16,000
- have income equal to or less than their applicable amount
- have applied for the scheme

4.5 Class H

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- not have capital savings above £16,000
- have income greater than their applicable amount
- or his partner or dependants must be entitled to one of the following:
 - (i) any of the disability premiums (awarded within the CTS scheme or income support, income- based jobseeker's allowance or income-related employment and support allowance)
 - (ii) disabled earnings disregard
 - (iii) Disabled Persons' Reduction for Council Tax purposes
 - (iv) War Disablement Pension or War Widow's Pension or
- be a lone parent with a child under the age of 5 or
- be a single person and on Carer's Allowance or
- be on Carer's Allowance and where they have a partner, the partner is also on Carer's Allowance
- have applied for the scheme
- be somebody in respect of whom amount A exceeds amount B, where

- (i) amount A is the maximum Council Tax Reduction Amount; and
- (ii) amount B is a prescribed percentage (20%) of the difference between their income and the applicable amount

4.6 Class I

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- not have capital savings above £16,000
- have income greater than their applicable amount
- have applied for the scheme
- be somebody in respect of whom amount A exceeds amount B, where
 - (i) amount A is the maximum Council Tax Reduction Amount; and
 - (ii) amount B is a prescribed percentage (20%) of the difference between their income and the applicable amount

5.0 Calculation of Council Tax Support by class:

5.1 Class D

If a claimant matches the criteria in Class D, that person qualifies for CTS entitlement equivalent to 100% of their Council Tax Liability less any non-dependant deductions if applicable.

This person is in a Protected Group.

5.2 Class E

If a claimant matches the criteria in Class E, that person qualifies for CTS entitlement equivalent to 75% of their Council Tax Liability less any non-dependant deductions if applicable.

This person is not in a Protected Group.

5.3 Class F

If a claimant matches the criteria in Class F, that person qualifies for CTS entitlement equivalent to 100% of their Council Tax Liability less any non-dependant deductions if applicable.

This person is in a Protected Group.

5.4 Class G

If a claimant matches the criteria in Class G, that person qualifies for CTS entitlement equivalent to 75% of their Council Tax Liability less any non-dependant deductions applicable.

This person is not in a Protected Group.

5.5 Class H

If a claimant matches the criteria in Class H, that person's entitlement will be calculated on 100% of their Council Tax Liability less any non-dependant deductions applicable, to arrive at the Maximum Council Tax Reduction Amount.

20% of the difference between their income and their Applicable Amount will then be deducted from their Maximum Council Tax Reduction Amount.

This person is in a Protected Group.

5.6 Class I

If a claimant matches the criteria in Class I, that person's entitlement will be calculated on 75% of their Council Tax Liability less any non-dependant deductions applicable, to arrive at the Maximum Council Tax Reduction Amount.

20% of the difference between their income and their Applicable Amount will then be deducted from their Maximum Council Tax Reduction Amount.

This person is not in a Protected Group.

5.7 Non-dependent deductions

A Non-Dependant is a person who normally resides with a claimant but is not a member of his household, such as a grown-up child, as defined in Part 2 of the Default Scheme Regulations.

Any such deduction will be deducted from the Council Tax liability to arrive at the Maximum Council Tax Reduction Amount.

A non-dependant deduction is normally based on the income of the non-dependant, on the basis they would be expected to contribute to Council Tax. However if any of the following is applicable there will be no non-dependant deduction:

- The claimant or partner are registered blind or treated as blind
- The claimant or partner are receiving the care component of a disability living allowance, attendance allowance or the daily living component of a Personal Independence Payment

- The non-dependant is receiving state pension credit, income support, income-based job seekers allowance or income-related employment and support allowance
- The non-dependant is a disregarded person for Council Tax purposes i.e. is severely mentally impaired
- The non-dependant is a full-time student, apprentice or on Youth Training
- The non-dependant has been a hospital patient for 52 weeks or more
- The non-dependant is under 18 years of age

The table below sets out the current and proposed weekly amounts of deductions to be applied to the proposed local CTS scheme.

Description of Non-Dependant	Amount of Weekly Deduction in 2012/13 (£)	Proposed Weekly CTS Scheme Deduction (£)
Adult in receipt of state pension credit	Nil	Nil
Adult in receipt of income support, income-based jobseeker's allowance or income-related employment and support allowance	Nil	Nil
Adult in receipt of jobseeker's Allowance (Contribution Based) or employment and Support Allowance (Contribution Based)	3.30	5.00
Gross income of adult (working not less than 16 hours per week) is less than £183	3.30	5.00
Gross income of adult (working not less than 16 hours per week) is greater than or equal to £183 but less than £316	6.55	10.00
Gross income of adult (working not less than 16 hours per week) is greater than or equal to £316 but less than £394	8.25	12.00
Gross income of adult (working not less than 16 hours per week) is greater than or equal to £394	9.90	15.00
Adult working less than 16 hours per week	3.30	5.00
Any other adult not included in the above descriptions	3.30	5.00

5.8 Determination of class and award

Determination of the class a claimant is put into and the reduction they will receive will be determined in two ways:

1. In respect of Class D and Class E, by virtue of entitlement to the specified income related benefits and
2. In respect of Class F, Class G, Class H and Class I through means testing

5.9 Means-test for Classes F, G, H and I

The means-test will be based upon a comparison of income and a deemed living allowance (known as the Applicable Amount) and is detailed in the Default Scheme Regulations; with the exception of the amounts attributable to each. This is explained in greater detail below.

5.10 Applicable Amount

The claimant's Applicable Amount is made up of four elements. These are:

1. A personal allowance in respect of the claimant and partner if applicable,
2. An amount in respect of any child or young person who is a member of their family,
3. A family premium element (where the claimant is part of a family of which at least one member is a child or young person), and
4. Any premium amount that is applicable to the claimant

The financial amounts attributable to the above are as follows:

Allowances and Premiums used to determine basic living needs	Weekly Amount in £
Single claimant aged 18 or over but less than 25	56.25
Single claimant aged 25 or over	71.00
Single claimant of any age and entitled to main phase employment support allowance	71.00
Single parent	71.00
Couple	111.45
Amount for a child from their date of birth to the day before the first Monday in September following their 16th birthday	64.99
Amount for a young person from the first Monday in September following their 16th birthday to the day before their 20th birthday	64.99
In the case of a polygamous marriage where none of the members	111.45

of the marriage have reached the age of 60 and for the claimant and other party to the marriage	
In the case of a polygamous marriage where none of the members of the marriage have reached the age of 60, for each additional spouse who is a member of the same household as the claimant	40.45
Family premium	17.40
Family premium (single parent rate)	22.20
Disability premium - single	30.35
Disability premium - couple	43.25
Enhanced disability premium - single	14.80
Enhanced disability premium - disabled child rate	22.89
Enhanced disability premium - couple	21.30
Severe disability premium - single	58.20
Severe disability premium - couple (lower rate)	58.20
Severe disability premium - couple (higher rate)	116.40
Disabled child premium	56.63
Carer premium	32.60
Components employment support allowance (income related) and contributory.	
Work-related activity component	28.15
Support component	34.05

5.11 Calculation of Income and Capital

Income and capital will be calculated for a claimant in accordance with the provisions detailed in Part 10 of the Default Scheme Regulations, with the exception of the treatment of an award of Universal Credit.

Any amount of Universal Credit will be taken into account as income less any amount for housing costs, included in it.

Any income or capital to be disregarded in full or part is detailed in Schedule 7, 8 and 10 of the Default Scheme Regulations.

The Council proposes to replicate existing local arrangements whereby the full amount of any weekly war widow's pension, war widower's or war disablement pension are disregarded in full.

5.12 Enhanced Earnings disregard – incentivise work

The amount of earnings to be disregarded are detailed in Schedule 7 of the Default Scheme Regulations. These specify the amounts and replicate provisions within CTB. The Council proposes to increase all of the standard earnings disregards by £10 per week in order to help incentivise work.

The amount of the additional earnings disregard for those working 16 hours per week or more or 30 hours per week or more will remain unchanged.

5.13 Students

Students will be dealt with in accordance with Part 11 of the Default Scheme Regulations. These replicate the existing CTB Regulations.

Some full time students and students who are persons from abroad will be excluded from entitlement to CTS. These groups are defined in Part 11 of the Default Scheme Regulations.

5.14 Notional capital

Claimants may be treated as possessing capital of which they have deprived themselves for the purposes of securing CTS. This notional capital (which the claimant is treated as possessing) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

5.15 Tariff income

Capital up to £6,000 is not counted. Capital over £6,000 up to £16,000 will be taken into account at £1.00 for each £250 (or part of). This is known as tariff income.

5.16 Summary of calculation of Council Tax Support

Once the total income amount has been calculated, it will be compared with the Applicable Amount, to determine what class the claimant falls into.

Once the class has been identified this will dictate how entitlement to CTS is calculated as detailed above.

6.0 Extended payments

There will be provision for extended payments. This is detailed in Part 12 of the Default Scheme Regulations.

This replicates current provisions set out within the existing CTB regulations.

There will be extended payments for 2 groups of claimants as follows:

6.1 Income Related Benefits

A claimant (or their partner) in receipt of income support, income-related employment and support allowance or income-based jobseeker's allowance, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more and for the period 26 weeks previously received income support, income-related employment and support allowance or jobseeker's allowance), will continue to receive CTS as if they were still in receipt of these benefits for four weeks.

6.2 Qualifying Contributory Benefits

A claimant (or their partner) in receipt of contribution based employment and support allowance, Incapacity Benefit or Severe Disablement Allowance, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more and for the period 26 weeks previously received contribution-based employment and support allowance, Incapacity Benefit or Severe Disablement Allowance), will continue to receive CTS as if they were still in receipt of these benefits for four weeks.

7.0 Applications

Applications for CTS must be on a properly completed approved form. Under the proposed scheme, an application will be required for all new claims from the 1st April 2013. If you are liable to pay Council tax, you will be able to claim via a paper form.

The date of the original application will apply where claimants need to amend a properly completed application. The Council may accept amendments over the phone however there may be cases where the claimant has to confirm details in writing.

The Council will accept withdrawal of applications (where it has not yet made a decision). This will have effect on the same day any notice of withdrawal is received by the Council.

8.0 Date on which entitlement begins

The date on which entitlement to CTS begins is detailed in Part 14 of the Default Scheme Regulations.

It will begin on the first day of the first week after the application is made or treated as made.

Claims can be back-dated for a period of up to six months, provided the claimant is able to show continuous good cause for failing to make an application.

A claimant may apply for CTS up to 13 weeks prior to an event that would entitle them to CTS.

A claimant may apply for CTS up to 8 weeks prior to becoming liable for Council Tax at their home.

9.0 Decisions and appeals

The Council will notify the claimant in writing of its decision within 14 days from the date that all relevant information and evidence relating to the application has been received by the Council or as soon as reasonably practicable thereafter. The notice will include information on how to appeal or how to request further information about the decision.

Schedule 7, Part 2 of the Prescribed Regulations sets out the procedure by which a claimant may make an appeal.

10.0 Changes of circumstance

The date on which a change of circumstance takes effect is detailed in Schedule 8, Part 2 of the Prescribed Regulations.

Generally they take effect from the Monday following the date of change.

Where the change of circumstance is a change in the amount of Council Tax, it will take effect from the day of the change.

11.0 Suspension and Termination of Council Tax Support

The Council may suspend CTS if any of the following situations apply:

- There is a doubt concerning whether the entitlement conditions for CTS are met
- There may be a recoverable excess of CTS
- The claimant or another person acting on their behalf has failed to provide information or evidence required for changing a decision concerning CTS

Where CTS has been suspended for failure to provide information or evidence and the claimant does not respond within one month or such longer period as may be considered reasonable in the circumstances, entitlement may be terminated.

These provisions are intended to replicate those in the existing CTB Regulations.

12.0 Time and manner of granting Council Tax Support

Where the claimant is entitled to CTS the Council will reduce the Council Tax liability or make a payment where the claimant has discharged their liability.

A reduction or a payment will be made within 14 days of receipt of the application or, if that is not reasonably practicable, as soon as practicable thereafter.

13.0 Annual changes to Council Tax Support Scheme

The Local Government Finance Bill is anticipated to stipulate that a Council, each financial year should either review the existing scheme or replace it with another scheme.

14.0 Existing Council Tax Benefit claimants

A claimant who is in receipt of CTB immediately before 1st April 2013 is to be treated as having made an application for the CTS Scheme.

Where a claimant has, prior to 1st April 2013, made an application for Council Tax Benefit which has not been determined by 1st April 2013, that claimant is to be treated as having made an application for the CTS Scheme.

15.0 Fraud

The Council is required to take reasonable steps to ascertain whether a claimant is entitled to any Council Tax discount: This includes CTS.

The Fraud Act 2006 and the Theft Act can be used to prosecute offenders.

The Government have stated they intend to provide further legislation (to replicate that which currently exists in CTB) under which claimants can be prosecuted for offences such as knowingly providing false information on a claim form.

National Scheme for Pension Age

16.0 Overview of scheme

The Government has stated that pensioners will be protected from the effects of the Local Scheme by a national framework of rules and eligibility. These are detailed in the Prescribed Regulations.

A claimant is treated as a pensioner if they meet the conditions as stated in Part 1 and Part 2 of Prescribed Regulations, i.e. have attained the qualifying age for state pension credit.

The amount of support will be based upon individual circumstances and changes of circumstances will also be taken into account.

There will be three classes for each of which there will be a number of qualifying criteria.

In all cases claimants must not be of a prescribed class exempt from support, such as a person from abroad with limited leave to remain. Part 2 of Prescribed Regulations exclude such claimants.

17.0 Classes of persons entitled to a reduction under the Prescribed Scheme

Class A

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- not have capital savings above £16,000 (unless in receipt of guarantee credit)
- have income equal to or less than their applicable amount (as defined in Prescribed Regulations) or be in receipt of guarantee credit
- have applied for the scheme

Class B

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- be somebody in respect of whom a Maximum Council Tax reduction Amount can be calculated,
- not have capital savings above £16,000

- have income greater than their applicable amount (as defined in Prescribed Regulations)
- have applied for the scheme
- be somebody in respect of whom amount A exceeds amount B, where (i) amount A is the Maximum Council Tax Reduction Amount; and (ii) amount B is a prescribed percentage (20%) of the difference between their income and the applicable amount (both as defined in Prescribed Regulations).

Class C

The claimant must:

- be liable to pay Council Tax in respect of a dwelling in which they are resident
- not be entitled to a Single Person Discount
- be somebody in respect of whom a Maximum Council Tax Reduction Amount can be calculated
- have applied for a scheme
- be somebody who has at least one second adult living with them who is not their partner, not somebody who pays rent, not liable for Council Tax and who is on a prescribed low income and / or prescribed benefit, as set out in Prescribed Regulations

This is referred to as Alternative Maximum Council Tax Reduction (currently known as Alternative Maximum Council Tax Benefit).

18.0 Calculation of Council Tax Support by class:

18.1 Class A

If a claimant matches the criteria in Class A, that person qualifies for 100% reduction on their Council Tax Liability less any non-dependant deductions applicable.

18.2 Class B

If a claimant matches the criteria in Class B that person's entitlement will be calculated on 100% of their Council Tax Liability less any non-dependant deductions applicable, to arrive at the Maximum Council Tax Reduction Amount.

20% of the difference between their income and their Applicable Amount will then be deducted from their Maximum Council Tax Reduction Amount.

18.3 Class C

Under the existing national CTB scheme, the Class C reduction is known as Alternative Maximum Council Tax Benefit. This may be awarded in respect of a second adult(s) sharing the household who would normally be expected to

contribute towards the Council Tax bill but who cannot afford to do so based on their low income, as indicated by prescribed low income bands or prescribed working-age benefit indicators.

This will be a reduction of either 25%, 15% or 7.5% of the Council Tax liability, depending upon the income of the second adult(s).

18.4 Non Dependent Deductions

A Non-Dependant is a person who normally resides with a claimant but is not a member of his household, such as a grown-up child. Deductions for such Non-Dependants will be in the Prescribed Regulations.

Any such deduction will be deducted from the Council Tax liability to arrive at the Maximum Council Tax Reduction Amount.

A non-dependant deduction is normally based on the income of the non-dependant, on the basis they would be expected to contribute to Council Tax. However if any of the following is applicable there will be no non-dependant deduction:

- The claimant or partner are registered blind or treated as blind
- The claimant or partner are receiving the care component of a disability living allowance, attendance allowance or the daily living component of a Personal Independence Payment
- The non-dependant is receiving state pension credit, income support, income-based job seekers allowance or income-related employment and support allowance
- The non-dependant is a disregarded person for Council Tax purposes i.e. is severely mentally impaired
- The non-dependant is a full-time student, apprentice or on Youth Training
- The non-dependant has been a hospital patient for 52 weeks or more
- The non-dependant is under 18 years of age

The amount of the non-dependant deduction will be prescribed by Government.

18.5 Determination of Class and Award

Determination of the class a claimant is put into and the reduction they will receive will be determined in two ways:

1. In respect of Class A and Class B, through means testing of the claimant, which will be in accordance with Prescribed Regulations and
2. In respect of Class C, through means testing of the second adult(s)

18.6 Means Test for Class A and Class B

The means test will be defined within Prescribed Regulations and aligned with existing CTB Regulations for those of state pension credit age.

The means test is based upon a comparison of income defined in Prescribed Regulations and an Applicable Amount also defined in Prescribed Regulations. This is explained in greater detail below:

18.7 Applicable Amount

The claimant's applicable amount will be made up of four elements. These will be:

1. A personal allowance in respect of the claimant and partner if applicable,
2. An amount in respect of any child or young person who is a member of their family,
3. A family premium element (where the applicant is part of a family of which at least one member is a child or young person), and
4. Any premium amount set out in regulations that is applicable to the individual.

The amount of the Applicable Amount will be prescribed by Government.

18.8 Calculation of Income and Capital

Income and capital will be calculated for a claimant in accordance with Prescribed Regulations.

Any income or capital to be disregarded in full or part is detailed in Prescribed Regulations.

The Council proposes to replicate existing local arrangements whereby the full amount of any weekly war widow's pension, war widower's or war disablement pension are disregarded in full.

18.9 Notional capital

Claimants may be treated as possessing capital of which they have deprived themselves for the purposes of securing CTS. This notional capital (which the claimant is treated as possessing) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

18.10 Tariff income on capital

Once an amount of capital is calculated, net of any amounts to be disregarded, this will be treated as if it is income of £1 for every £500 (or part of £500) in excess of £10,000. This amount of tariff income will be added to the initial income calculation to give a total income amount.

19.0 Summary of calculation of Council Tax Support

Once the total income amount has been calculated, it will be compared with the applicable amount, to determine whether the individual falls into Class A (income less than applicable amount) or Class B (income greater than applicable amount).

Claimants in Class C will receive CTS based on the income/status of their second adult(s) as set out in the following table:

Second adult	Council Tax Support
<p>a) The second adult (or all second adults) are in receipt of income support, income-related employment and support allowance, state pension credit or income-based jobseeker's allowance.</p>	<p>a) 25% of Council Tax due in respect of that day</p>
<p>b) Where the gross income or aggregate gross income of any second adult(s) – disregarding any income of persons on income support, income-related employment and support allowance, state pension credit or income-based jobseeker's allowance</p> <p>b)(i) less than £177.00 per week;</p> <p>b)(ii) not less than £177.00 but less than £231.00 per week.</p>	<p>b)(i) 15% of Council Tax due in respect of that day</p> <p>b)(ii) 7.5% of Council Tax due in respect of that day</p>
<p>c) If the dwelling would be wholly occupied by one or more students but for the presence of one or more second adults in receipt of income support, state pension credit, income-related employment and support allowance or income-based jobseekers allowance.</p>	<p>c) 100%</p>

If the claimant is entitled to both Class A and Class C or Class B and Class C they will be awarded the greater of the two.

20.0 Extended payments

The Prescribed Regulations will set out where a claimant can continue to receive CTS, for a prescribed period of 4 weeks whilst they or their partner apply for state pension credit.

The pension-credit eligible age regulations will state that from the point at which the person already in receipt of CTS reaches the eligible age for pension credit they will, for the prescribed extended payment period of four weeks, be entitled to whatever award is greater – the local working age scheme award or the award under the scheme for those of state pension credit age.

20.1 Qualifying contributory benefits

The Prescribed Regulations set out that a claimant not in receipt of state pension credit who or his partner was in receipt of contribution based employment and support allowance, incapacity benefit or severe disablement allowance for at least 26 weeks, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive CTS as if they were still in receipt of these benefits for four weeks.

21.0 Applications

The Prescribed regulations provide that an application for CTS must be on a properly completed approved form. Under the proposed scheme, an application will be required for all new claims from the 1st April 2013. If you are liable to pay Council tax, you will be able to claim via a paper form.

The Prescribed Regulations will provide that the date of the original application will apply where claimants need to amend a properly completed application. The Council may accept amendments over the phone, however there may be cases where the claimant has to confirm details in writing.

The Council will accept withdrawal of applications (where it has not yet made a decision). This will have effect on the same day any notice of withdrawal is received by the Council.

22.0 Date on which entitlement begins

Entitlement to CTS will begin on the first day of the first week after the application is made or treated as made, unless back-dating is applicable, as set out in the Prescribed Regulations.

Claims can be automatically back-dated for a period of up to 3 months, providing the claimant was of pension credit age at the start of the 3 month period.

In the case of new Council Tax liabilities, if the application is made or treated as made in the same week as the new Council Tax liability, CTS will start from that week.

A claimant may apply for CTS up to 17 weeks prior to an event that would entitle them to CTS.

A claimant may apply for CTS up to 8 weeks prior to becoming liable for Council Tax at their home.

23.0 Decisions and appeals

The Prescribed Regulations require the Council to notify the claimant in writing of its decision within 14 days from the date that all relevant information and evidence relating to the application has been received by the Council or as soon as reasonably practicable thereafter. The notice will include information on how to appeal or how to request further information about the decision.

Schedule 7, Part 2 of the Prescribed Regulations sets out the procedure by which a claimant may make an appeal.

24.0 Changes of circumstance

The date on which a change of circumstance takes effect is detailed in Schedule 1 Part 9 of the Prescribed Regulations.

Generally they take effect from the Monday following the date of change or where it is a change in the amount of Council Tax, it will take effect from the day of the change.

There are specific rules for the treatment of any change of circumstance relating to pension credit.

25.0 Time and manner of granting CTS

Where the claimant is entitled to CTS the Council will reduce the Council Tax liability or make a payment where the claimant has discharged their liability.

A reduction or a payment will be made within 14 days of receipt of the application or, if that is not reasonably practicable, as soon as practicable thereafter.

26.0 Existing Council Tax Benefit claimants

A claimant who is in receipt of CTB immediately before 1st April 2013 is to be treated as having made an application for the CTS Scheme.

Where a claimant has, prior to 1st April 2013, made an application for Council Tax Benefit which has not been determined by 1st April 2013, that claimant is to be treated as having made an application for the CTS Scheme.

27.0 Fraud

The Council is required to take reasonable steps to ascertain whether a person is entitled to any Council Tax discount. This includes Council Tax Support.

The Fraud Act 2006 and the Theft Act can be used to prosecute offenders.

The Government have stated they intend to provide further legislation (to replicate that which currently exists in CTB) under which claimants can be prosecuted for offences such as knowingly providing false information on a claim form.

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Appendix E

Changes to Council Tax Discounts and Exemptions from 1 April 2013

The Government is proposing changes to Council Tax discounts and exemptions.

There are currently 23 classes of Council Tax exemption and the proposed changes will only affect three of these; Class A (unoccupied properties undergoing repair or major structural alteration), Class C (unoccupied and unfurnished) and class L (re-possession by the mortgagee).

The proposals also affect discounts currently granted to properties not used as a main home, allowing the Council greater discretion in the award of discounts and exemptions for these. The Council has reviewed the proposals, taking into account:

- The Council's Housing strategy
- Shortage of housing in Central Bedfordshire
- The need to get empty properties back into use quickly
- The Council's financial position

The table below sets out the Council's proposals for changing discounts and exemptions.

Proposed Measures	Current Regulations	Government Proposal	Council Proposal	Additional CTAX raised
1) Removing the Council Tax discount for properties not occupied as a main home	10% discount	Allow Councils to reduce the discount to nil	To reduce the discount to nil	Circa £50k
2) Removing the Council Tax six month exemption for unoccupied and unfurnished properties	6 months exemption Class C exemption	Abolish the exemption and allow Councils to give a discount between 0% and 100%. The period of the discount must be 6 months	To reduce the discount to 0% for the 6 month period	Circa £1.7m
3) Removing the Council Tax exemption on empty properties undergoing repair or major structural alteration	12 months exemption Class A exemption	Abolish the exemption and allow Councils to grant a discount between 0% and 100% for 12 months	To reduce the discount to 0%	Circa £120k
4) Removing the Council Tax	These properties	Allow Councils to reduce or withdraw	To withdraw the exemption on these	Circa £50k

exemption on properties having been repossessed by the mortgagee	are exempt Class L exemption	the period of exemption	properties or reduce the discount to nil if the regulations allow for this and make the mortgagee liable for the charge	
Removing the discount on long term empty properties and charging an "empty homes premium" of 50% on properties left empty for longer than two years ⁶	10% discount	Allow Councils to levy an "empty homes premium" on properties left empty for longer than two years	To charge a premium of 50%, making the total liability 150% after two years	Circa £240k

Appendix F

Meeting: Executive
Date: 21 August 2012
Subject: Draft Council Tax Support Scheme
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources

Summary: The purpose of the report is to provide Executive with an overview of the Government’s proposals to localise Council Tax Benefit (CTB), through the introduction of the Local Council Tax Support Scheme from 1 April 2013.

The report also sets out the key principles of the Central Bedfordshire local scheme which will be consulted upon.

Advising Officer: Charles Warboys, Chief Financial Officer
Contact Officer: Gary Muskett, Head of Revenues & Benefits
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS	
Council Priorities:	
By protecting vulnerable and elderly people as well as providing incentives to work, the proposed Council Tax Support (CTS) scheme should be designed to support the Council’s Medium Term Plan priorities of :	
<ul style="list-style-type: none"> • Promoting health and wellbeing and protecting the vulnerable. • Improved educational attainment. 	
Financial:	
1.	Provisional Government funding to local authorities for Council Tax Support (CTS) schemes is based on 10% of the forecast Council Tax Benefit (CTB) expenditure for 2012/13. There are indications this is a low estimate and the real figure could be as high as 14%. The funding will be an up-front allocation for all billing and major precepting authorities, and will not be ring-fenced. The Council will not receive confirmation of the grant receivable until late November or early December 2012, as part of the 2013/14 Formula Grant consultation.

2. The gross CTB expenditure within Central Bedfordshire is presently £16.8m and the Department for Communities and Local Government (DCLG) proposed funding will leave a shortfall of about £2.5m for the Council to deliver a CTS scheme.
3. The proposed reduction in funding represents a significant financial risk, as it will not include any provision to manage increased take up which is likely to happen due to the number of new properties being built within Central Bedfordshire during the short and medium term. The current CTB is the most under-claimed of all benefits, which again indicates that there is considerable scope for an increase in take up under the new CTS scheme.
4. There will be an increase in the administration costs to the Council for administering the new scheme and it is not clear whether this will be fully funded by DCLG. The Council has received an initial grant for implementation costs but details of the administration grant have not been provided.
5. The Council will have to design a new Council Tax Support scheme that achieves a balance between delivering the expenditure reductions required and managing any adverse financial consequences on other Council budgets, for example homelessness and, not least, the effect on Council Tax collection rates and the estimated increased cost of collection. The Council also needs to be mindful of the impact of its scheme on local residents.

Legal:

6. The current Council Tax Benefit system will be abolished on 31 March 2013 under Section 33 of the Welfare Reform Act 2012, which received Royal Assent on 8 March 2012.
Another bill currently progressing through Parliament is the Local Government Finance (the Bill) and this contains proposals for the replacement of CTB with local “Council Tax Support schemes” designed by individual local authorities. The Bill prescribes certain steps in the design of the local scheme, such as consultation and publication, and enables the Secretary of State to introduce both Regulations and Guidance relating to the local schemes.
The Government has stated its intent that vulnerable people and pensioners will be protected and will not lose or gain relative to the current CTB scheme.
7. The Government are requiring local authorities to have a CTS scheme adopted by 31 January 2013 and be implemented from 1 April 2013. Any authorities that have not adopted a scheme in these timescales will have a default scheme imposed by DCLG.

Risk Management:

8. The transfer from Council Tax Benefit to localised Council Tax Support means the impact of increased demand and cost will be a risk for all major preceptors.
9. The Council and its precepting partners will need to monitor closely local social and economic changes and ensure there is a contingency for possible future shortfalls in funding. This may mean that the scheme designed needs to allow for these risks by providing for savings in excess of the currently known reduction in funding.

Staffing (including Trades Unions):

10. In the short term, the introduction of a local CTS scheme is likely to lead to a significant increase in the number of customers who contact the Council. These contacts will need to be managed by the Revenues and Benefits teams and Customer Services.

Equalities/Human Rights:

11. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The impact of the new localised scheme will need careful consideration throughout the design and implementation of the new scheme.
12. A thorough consultation and engagement process is planned to support this. A full Equalities Impact Assessment is being prepared to identify the potential impact on different groups and to support the decision on the proposed scheme. This will be refined following feedback from the formal consultation process and be used to inform the decision on the final scheme.

Public Health:

13. Not Applicable.

Community Safety:

14. Not Applicable.

Sustainability:

15. Not Applicable.

Procurement:

16. Not Applicable.

Overview and Scrutiny:

17. The Corporate Resources Overview and Scrutiny Committee will consider this matter on 11 September 2012.

RECOMMENDATIONS:

The Executive is asked to:

1. **endorse the draft Central Bedfordshire Council Tax Support scheme for the purposes of consultation. The draft Council Tax Support Scheme is set out in Appendix D;**
2. **approve the communications and consultation plan as set out in paragraphs 33 to 36; and**

3. note that the draft scheme is required to undergo consultation with the Fire and Police authorities before wider consultation with the community.

<i>Reason for Recommendations:</i>	<i>So that major preceptors and the wider community can be consulted on the draft Council Tax Support scheme.</i>
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Executive Summary

18. In November 2010 the Government announced a major overhaul of the current benefits system (the Welfare Reform Bill). Part of this reform included the abolition of Council Tax Benefit (CTB). This will be replaced by local Council Tax Support (CTS) schemes administered by individual billing authorities.
19. The CTS reforms require local authorities to design their own schemes to deliver Council Tax Support. The schemes will be implemented from April 2013 but must be agreed by Full Council by 31 January 2013.
20. As part of the 2010 Spending Review, the Government also announced that from April 2013 it will reduce expenditure on CTB by 10% and this will be provided to local authorities through DCLG grant funding. However, the real figure is likely to be higher because the Government has based its calculations on a notional future measure of expenditure.
21. Under the current national CTB system there is no “cap” on CTB expenditure with the Department for Works and Pensions (DWP) fully reimbursing billing authorities for spending on CTB. Under the new arrangements, DCLG will instead provide local authorities with an unringfenced specific grant that authorities can then use as they see fit to meet the CTS liabilities that their own schemes commit them to.

Background

22. A key requirement of the Coalition Governments budget deficit plans is to replace the nationally funded Council Tax Benefit scheme by schemes operated by local billing authorities. These changes are being introduced in very short timescales with further budget reductions which will make for an extremely challenging couple of years for the Council and its residents.
23. On 17 February 2011, the Government published its Welfare Reform Bill, setting out some of the most significant proposed changes to the welfare system in decades. The Bill aims to replace six working age benefits including Housing Benefit (HB), with the new ‘Universal Credit’ (UC). The Spending Review 2010 assumed that welfare reform changes would generate £11bn savings nationally in addition to those expected from the changes proposed to CTB. In the March 2012 budget the Chancellor announced a further £10bn savings would be required from the welfare budget, though there are no details at present as to how these will be realised.
A key change in the Bill is the Government’s proposal to abolish the national Council Tax Benefit system and replace it with a Local Council Tax Support scheme from 1 April 2013.

24. On 2 August 2011, the Communities and Local Government (CLG) consultation paper 'Localising Support for Council Tax in England' was published, setting out the Government's policy objectives with regards to these changes. It provided some guidance and detail of the framework, funding and design for local schemes.
25. On 19 December 2011, the Government published its Local Government Finance Bill. At the same time, the Government also published responses to views expressed during the consultations on proposals for Localising Support for Council Tax.
26. In May 2012 CLG published a consultation paper on funding arrangements for Localising Support for Council tax arising from reduced taxes as a result of the reduced tax base. The proposed funding distribution to local precepting authorities provides for direct grants to Fire and Police Authorities and grant funding to local authorities and other preceptors via the retained Business rates system.
27. In May 2012 CLG also published a Statement of Intent covering the requirements for preparing a scheme (including consultation), transitional arrangements, prescribed requirements, Council Tax base and risk sharing of financial pressure.

Current Position in relation to Council Tax Benefit

28. CTB is a means tested benefit that is administered by local authorities on behalf of the Department for Work and Pensions (DWP). Claimants in receipt of means tested out-of-work benefits generally receive full assistance; eligible claimants who work or have other income are likely to get partial relief; around 60% of all pensioners are entitled to CTB, although not all who are entitled actually claim. Some key headline statistics are set out below:
 - Current expenditure nationally equates to approximately £4.8 billion.
 - Over 5.8 million people claim CTB, more than any other means tested benefit.
 - Central Bedfordshire has about 17,000 claimants, with estimated net CTB in 2012/13 expected to be circa £16.8m.
 - 48% of claimants in Central Bedfordshire are pensioners.
 - Many people, who are currently entitled to claim CTB, do not actually claim the benefit they are entitled to. DWP research in 2009/10 showed that as many as 3 million people who would be entitled to CTB do not claim for whatever reason. Applying these national statistics proportionately to Central Bedfordshire would produce a significant increase in caseload and therefore cost if these customers were to subsequently claim.
29. The DWP covers the cost of Council Tax benefit by giving the local authority subsidy based on the overall amount awarded.

30. Current arrangements are such that eligibility for Housing and Council Tax benefit are determined at the same time and on the same application forms and are generally subject to the same calculation criteria in respect of income, capital and earnings. Eligibility for those of working age and also those of pension age is determined through a single application process.

The New Framework for Council Tax Support Scheme

31. Financial support for low income Council Tax households will become fully integrated into the Council Tax system, with support being offered as reductions in Council Tax bills rather than a benefit awarded against full Council Tax liability. This means that local decisions about which vulnerable groups should qualify for Council Tax support, including the reduction on income grounds, will need to be taken as part of the Council Tax-setting process.
32. Any new Local Scheme will need to :
- detail the Council Tax reduction available / to be awarded locally;
 - include categories of claimant entitled to a Council Tax reduction and the Council Tax reductions which are to apply to those categories. The Secretary of State will be given powers to specify categories of persons and the reduction they will be entitled to, but the Government intend to only use this power to prescribe support to be provided to pensioners;
 - set out procedures for applicants to follow in making applications; and
 - set out procedures for appealing decisions (it is intended that the Valuation Tribunal is the independent appeal body).

Communication and Consultation Planning

33. Effective community engagement in the development of the new Council Tax Support scheme will support Member decision making. The Council is required to consult major precepting authorities, residents and other stakeholders on the draft Council Tax Support scheme and has developed a plan for consultation.
34. The initial phase of consultation, in advance of the publication of the draft scheme, has been with Officers of Bedfordshire Police and the Bedfordshire Fire and Rescue Service.
35. Following approval of the draft Council Tax Support scheme in August the proposals will be extensively promoted to the local community. The consultation will be available online and in Libraries and Council Offices and it will be open for 12 weeks. The Council will also engage with specific vulnerable groups and existing claimants. We will also seek the views of key partners such as Town and Parish Councils, voluntary sector, representatives of the Equality Forum, Housing Associations as well as the Council's Overview and Scrutiny Committee.
36. The feedback from the consultation will enable the views of different audiences to feed into the development of the final Council Tax Support scheme to be presented to the Executive and Full Council in January 2013.

The Implications of our proposed local scheme

37. Council Tax Benefit currently received by pensioners must not be reduced as a result of the introduction of the new Council Tax support scheme. The Government wants to ensure that low income pensioners, who would struggle to pay Council Tax without additional support, and who the Government does not expect to work to increase their income, will continue to receive the same level of support against their Council Tax bills.

Pensioners within Central Bedfordshire currently receiving Council Tax Benefit will receive the same level of support via our localised Council Tax Support Scheme. Pensioners currently make up 48% of our Council Tax Benefit caseload.

38. The Government's consultation paper highlights that Councils need to protect vulnerable groups, although the Government has not fully specified its intentions in this regard other than to say 'Local authorities already have clearly defined responsibilities in relation to, and awareness of, the most vulnerable groups and individuals other than pensioners in their areas'. This includes, for example, through their responsibilities under:

- The Child Poverty Act 2010.
- The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970.
- The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.

The Central Bedfordshire Council local scheme will also take account of the requirements of the Public Sector Equality Duty and proposes to protect existing Council Tax claimants who are lone parents with children under five years of age, disabled persons receiving specific forms of disability income and claimants who are in receipt of carers allowance. Benefit entitlement for these customers will be calculated using the same method of calculation used in the current scheme.

39. The introduction of the new Council Tax Support scheme will require entitlement to support to be shown as a discount on Council Tax bills from April 2013. These discounts will need to be factored into the Tax Base calculation and will result in a lower Tax Base for Council Tax purposes. This will impact on all precepting authorities including Towns and Parishes.
40. The Government intends that the funding for local authorities (excluding local policing bodies) for local Council Tax Support schemes will be within the business rates retention scheme. This will be made clear by including the agreed funding allocations for local authorities as a visible line within baseline funding levels for the first year of the new business rates system. The funding allocated to Central Bedfordshire Council will initially be retained by the Council and through a needs based process, funds will be allocated to those Towns and Parishes most affected by changes to their Tax Base. The money will effectively follow the need.

41. A copy of the proposed Central Bedfordshire Council local Council Tax Support scheme can be found at Appendix D.

Proposed changes to Council Tax Discounts and Exemptions

42. The DCLG published the technical reforms to Council Tax for consultation on 31 October 2011. The consultation sought views on a number of proposed changes to the Council Tax system, including proposals to give billing authorities (BAs) greater discretion over the reliefs from Council Tax available in respect of second homes and empty properties. The consultation also invited views on whether BAs should have the power to levy a Council Tax premium on empty homes.
43. The DCLG has now published the Summary of Responses Report which confirms the Government's intentions to legislate for the following changes.

Second Homes

The Government has confirmed its intention to allow BAs to levy up to the level of full Council Tax on Second homes (in Central Bedfordshire, a discount of 10% is currently granted). At any one time there are in the region of 290 properties receiving this discount. If the 10% discount was removed then potential additional Council Tax revenue would be approximately **£50,000**.

Unfurnished Empty Homes

A six month exemption (Class C) has been available where a property is vacant (unoccupied and substantially unfurnished). The Government has confirmed the intention to abolish this and empower BAs to give discounts of between 0% to 100%. With approximately 9,000 properties receiving this discount during the course of a year, the additional Council Tax revenue if the discount was set at 0% is **£1.7m**.

Empty Homes Premium

The Government has confirmed that the maximum premium to be applied after a property has been empty for two years is 50% of normal Council Tax liability. This means that properties in this category would pay 150% of the full Council Tax. Early estimates indicate that approximately 240 properties would attract the premium creating additional Council Tax revenue of **£240,000**.

Uninhabitable Empty Homes

The Government has confirmed its intention to abolish the current Class A exemption that applies to properties undergoing substantial repairs or adaptations. Currently this can be granted as long as qualifying circumstances prevail for up to a maximum period of 12 months. The proposal is to replace this with a discount (discretionary between 0% and 100%) and the maximum period this can be applied for remains as 12 months. There are approximately 170 properties in this category and potential Council Tax revenue if a 0% discount was applied is **£120,000**.

Repossessions

Repossessed properties are currently exempt from Council Tax liability. The Government is proposing that mortgagees who are in possession of an empty dwelling should be liable for the Council Tax charge. If this exemption class is abolished Council Tax will be payable by mortgagees. At any one time there are approximately 150 properties in this category and additional Council Tax revenue if this exemption is abolished would be **£50,000**.

44. It is estimated that these changes would result in additional revenue totalling £2.1m per annum with Central Bedfordshire Council's share of this being approximately £1.7m with the difference being shared between the other preceptors.
45. The estimate of additional revenue will need to be revised down to take account of non collection and avoidance by residents and landlords who have previously not had to pay Council Tax on empty properties. This could reduce the Central Bedfordshire Council share of the additional revenue to approximately £1.6m.

46. Whilst all indications are that Government will legislate for these changes to Council Tax Discounts and Exemptions, it must be noted that the estimated additional Council Tax revenue is dependent on the legislation being passed. The Council will therefore consider separately the policy to be adopted on the level of discounts to be awarded once the Governments' intentions are captured within regulations.
47. If the Government does legislate for the changes to Discounts and Exemptions and the Council decides to take advantage of the new discretions, there will be a positive impact on the Tax base.

Conclusion and Next Steps

48. As well as having to create a local scheme that is suitable for Central Bedfordshire, the Council will also have to work within a budget that has been reduced by at least 10%. Early estimates suggest this represents at least £2.5m, but this gap will increase if the number of people claiming benefit goes up, which already appears to be the trend.
49. Subject to the Executive agreeing the draft scheme, a consultation process will commence as set out in paragraphs 33 to 36 above.

Appendices:

- Appendix A – General information about the Central Bedfordshire Council CTS scheme
- Appendix B – Key principles of the Central Bedfordshire Council CTS scheme
- Appendix C – Premiums & Allowances used in the Central Bedfordshire Council CTS
- Appendix D – Draft Central Bedfordshire Council CTS scheme
- Appendix E – Proposed changes to Council Tax Discounts and Exemptions

Background Papers: (open to public inspection)

1. Welfare Reform Bill (February 2011)
2. Localising Support for Council Tax in England (Government Consultation paper: August 2011)
3. Localising Support for Council Tax in England Government's response to the outcome of consultation (December 2011)
4. Localised support for Council Tax – An update on the reform proposals (CMT Report April 2011)

Appendix G

Local Council Tax Support - Communication & Consultation Plan

1. Background

Central Bedfordshire Council services are funded primarily by two sources; Government grant and council tax. Council Tax benefits and discounts are given in specific circumstances (i.e. benefits claimants may be out of work, Council Tax reductions can apply for those living in single occupancy, or who own either empty or second homes etc). The Government currently gives Councils money to cover the costs of Council Tax benefits.

As part of the Government's welfare reform programme, the national Council Tax Benefits Scheme is to be abolished from next April. Councils are therefore required to develop their own schemes. However, future funding allocation from the Government to Councils will be reduced by 10-14%. In Central Bedfordshire this means a £2.5m gap in funding.

Central Bedfordshire Council has developed a draft Local Council Tax Support (LCTS) scheme that will replace the existing Council Tax Benefits scheme.

The scheme has been designed to be affordable and is based on guiding principles, based on fairness, affordability and protecting the vulnerable.

The Department for Communities and Local Government (CLG) has provided guidance¹ to local billing authorities which sets out their requirements regarding consultation. The document specifies that, before adopting a scheme, the billing authority must in the following order:

- a. consult any major precepting authority which has power to issue a precept to it,
- b. publish a draft scheme in such manner as it thinks fit, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The guidance goes on to state:

¹ Localising Support for Council Tax, A Statement of Intent, DCLG May 2012

Precepting authorities should be engaged early in the development of the local council tax scheme in order to shape the initial proposals.

Although the Government's code of practice on consultation states that normally 12 weeks is appropriate, billing authorities may wish to consider the appropriate length of their consultation depending on the impact of their proposals and the ability to complete the consultation exercise within budgetary timetables.

The code of practice indicates that where timing is restricted, for example, due to having to meet a fixed timetable such as a budget cycle, there may be good reason for a shorter consultation, and any documentation should be clear for the reasons for the shorter timetable.

In considering their timetable a billing authority will also need to consider that if effective consultation is carried out it also takes time to gather the feedback, understand the key themes and impacts and take it through any internal governance processes to get agreement on any final changes.

This guidance has informed our consultation plan.

2. Key Messages

a. Why is LCTS being introduced?

- Central Government Welfare Reform – reducing dependency
- Contribution to national deficit reduction
- Reduced funding (in Central Bedfordshire – 14% less funding).

b. What is LCTS?

- Abolition of existing benefits model
- Local schemes of discounts
- To be introduced by April 2013.

c. Guiding principles & specific principles

Principle	Specific proposals
1. Affordability	<p>The Council Tax Support Scheme needs to be affordable and sustainable for the Council in the longer term rather than drawing on Council reserves, which can only be used once, or having any impact on frontline Council services.</p> <ul style="list-style-type: none"> • Allowances/premiums frozen at 2012/13 levels
2. A fair contribution – those who can pay, should pay.	<ul style="list-style-type: none"> • People deemed not to be vulnerable, will receive a maximum reduction of 75% rather than 100% in the amount of council tax they are required to pay. • Abolish second adult rebate - all non dependent residents in a household assumed to contribute. • Full council tax for empty homes and second homes. • 150% council tax for long term (2 years +) empty homes.
3. The scheme should incentivise work - encourage people to earn a living.	<ul style="list-style-type: none"> • Increase the earnings disregard by £10 per week. This means when some one starts work or increases their hours/earnings we will take less of their new earnings into account.
4. The most vulnerable claimants should be protected (from the minimum contribution)	<ul style="list-style-type: none"> • Pensioners currently receiving Council Tax Benefit will receive the same level of support. The Government wants to ensure that low income pensioners, who would struggle to pay Council Tax without additional support, and who the Government does not expect to work to increase their income, will continue to receive the same level of support against their Council Tax bills. Pensioners currently make up 48% of our Council Tax Benefit caseload. • The scheme will also protect existing Council Tax Benefit claimants who are vulnerable, this includes lone parents with children under five years of age, disabled persons receiving specific forms of disability income and

	claimants who are in receipt of carers allowance. People receiving Council Tax Benefit for these reasons will receive the same reduction in the new scheme, unless their income increases.
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d. Consultation

- Consultation open to all
- 12 week consultation period
- Targeted consultation with specific vulnerable groups and claimants

e. Timeline

- Consultation on draft scheme from 22nd August to 14th November 2012.
- Executive to agree final scheme in January 2013

3. Consultation plan

The timetable below sets out the key milestones in terms of the consultation.

When	What	Who
July/ early August	Consult Fire and Police (major precepting authorities)	MJ
July/ early August	Write to Town and Parish Councils	MJ
August	Brief Cabinet	GS/MJ
August	Brief opposition leaders	MJ
August	Brief Customer Services so they can help customers	KA
August	Brief Revenue and Benefits staff and CAB so they can help customers	JL
21 st August	Executive approve the draft scheme for consultation	
21 st August	Brief Revs & Bens staff and CAB	JL
21 st August	Attend Landlords Forum	JL

21 st / 22 nd August	Comms launch consultation online	KA
	Comms issue press release to all local media	LM
	Send consultation documents and response forms to Libraries, Council offices and Customer Service Centres with briefing note.	KA
	Promote consultation via, News Central (delivered to every household in September), social media and email bulletins.	KA
	Write to all existing claimants (17,000) with a copy of the consultation document and response form.	JL
	Write to existing Discount and Exemption customers with a copy of the consultation document and response form.	
	Write to Fire, Police, MPs, Town and Parish Councils to invite them to participate in the consultation. and invite the Town and Parish Councils to the Town and Parish Council Conference.	KA
	Write to voluntary sector organisations (i.e. CAB, Disability Resource centre) and landlords to invite them to participate in the consultation.	KA
September	500 telephone interviews with a cross section of the public	KA
6 th Sept	Attend Leighton Buzzard work club (unemployed people)	JL
7 th Sept	Deadline for article for Housing Matters (social housing tenants)	KA
11 th Sept	Attend Houghton Regis work club (unemployed people)	JL
13 th Sept	Attend Bedfordshire Benefits Network	JL
18 th Sept	Attend Child Poverty Group	JL
20 th Sept	Attend the Equality Forum	JL
25 th September	Special Town Council Conference	
11 th October	Attend Carers Delivery Partnership Meeting	JL
24 th October	Attend Carers Forum	JL
	Attend Older People Reference Group	JL
	Attend Houghton Regis Children's Centre (Lone parents with young children)	JL
	Attend Dunstable Children's Centre (Lone parents with young children)	JL
	disabled people	JL
	Attend Beds Child Poverty Action Group (CPAG)	JL
October	Overview and Scrutiny Committee	

14 th November	Consultation closes	KA
28 th November	Report available summarising the consultation feedback	KA
December	Members consider the consultation feedback and finalise the Scheme	
January 2013	Executive agree final Council Tax Scheme	
January 2013	Full Council agree final Council Tax Scheme	
January 2013	Write to all stakeholders to update them on the agreed Council Tax Scheme	KA
January 2013	Issue a press release to all local media	LM

The main consultation mechanism will be a consultation document (which sets out our plans) and a response form (which captures peoples views in a structured way). Copies of the consultation document and the response form will be made available on the council's website and in Libraries, Council offices and Customer Service Centres across the area.

In order to enable detailed analysis of the consultation feedback the consultation response form will need to collect data about the following:

- Family structure
- Number and ages of children living in household
- Nature of employment full time part-time or temporary work
- Income/ salary - explore the impact on families whose income is around £20k
- Current benefits
- Ethnicity
- Religion
- Age (actual age not groups)
- Disability
- Sexual orientation
- Caring responsibilities
- Home postcode

During the consultation the council will actively engage with key vulnerable groups and partners to ensure that we incorporate their views when developing our final scheme. The groups and how we will engage with them are provided in the next section.

4. Stakeholders and Channels

The following internal stakeholders need to be fully briefed before the consultation and then kept up to date with any significant changes or developments.

Internal Stakeholders	What do they need to know	How will we communicate with them	When do we need to communicate
Executive Member	Detailed briefing of proposals and consultation programme Progress updates	Face to face briefing	Before Executive in August
Executive Members	Detailed briefing of proposals and consultation programme	Face to face briefing – Leadership Team	Before Executive in August
Leader of the Opposition	Detailed briefing of proposals and consultation programme	Written briefing	As August Executive papers are published. August
Ward Members	Detailed briefing of proposals and consultation programme	Member’s Information Bulletin.	As August Executive reports are published.
CMT	Detailed briefing of proposals and process. Progress updates	Progress reports to CMT as part of the project management	Before Executive in August
Customer Services	General briefing, how residents can have their say, routes for managing customer enquiries	Email a briefing note.	Before Executive in August

The following external stakeholders may either need to be briefed and/or consulted.

External Stakeholder	Why? What do they need to know	How will we communicate with them	How will we consult with them	When do we need to communicate
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MPs for the area	Awareness raising, understand purpose and proposed scheme, promote how to have their say, update on final decision.	Face to face briefing / letter with a briefing note sent directly to local MPs	At regular MP meeting or via written process. .	Post August Executive
Local media	Awareness raising, understand purpose, correct misconceptions, promote how to have their say, update on final decision.	1. Executive report available online. 2. Powerpoint presentation online. 3. FAQs online 2. Press release.	n/a	1. Exec report available two weeks before Exec 2. Press release after Exec in August 3. Offer face to face briefing with local media. 4. Subsequent media relations to maintain profile and give feedback from September to January.
All Town and Parish Councils	Awareness raising, understand purpose, implications for them and their residents, promote how to have their say, update on final decision.	Email / letter directly to clerks.	Consultation document and response form (paper or online). Bespoke event (Town & Parish Conference)	At the launch of the consultation During consultation Immediately after Exec in Dec
Residents	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	News Central (early September), local media, CBC website, CBC Update Bulletin, Libraries, social media, Housing	Consultation document and response form (paper copies in every Library, and online).	Immediately after Exec in August to launch the consultation. Pres release/ media after

Existing 17,500 council tax benefit claimants	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	matters magazine, Direct mail/Email, Housing matters magazine.	Consultation document and response form (paper copies in every Library, and online).	final decision in Dec. Immediately after Exec in August to launch the consultation. Pres release/ media after final decision in Dec. During consultation period
Older people	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	As per residents plus Older People's Reference Group	As per residents plus Attend older people's reference group.	During consultation period
Unemployed people	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	As per residents plus job groups	As per residents plus Attend job groups in Leighton Buzzard library and Houghton Regis Library	During consultation period
Single parents with children under 5	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	As per residents plus attend children's centres	As per residents plus Attend children's centres (incl. Houghton Regis & Dunstable)	During consultation period
Low income working families with	Awareness raising, understand proposed scheme, how to have their	As per residents plus: Child Poverty Strategy	As per residents plus Attend children's centres (incl. Houghton Regis &	During consultation period

children under the age of 11	say, update on final decision.	Group and Child Pverty Action Group	Dunstable)	
BME Groups	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	Mail out to Children's charities and CAB As per residents plus: Publicise in BR&EC newsletter, mail out to faith groups	As per residents plus	During consultation period
Disabled People & Carers	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	As per residents plus: Could also circulate information via social care voluntary sector contacts, carers forum and Disability Resource Centre	As per residents plus Disability resource Centre Letter to carers & attend carers forum Attend Carers Delivery Partnership Meeting	During consultation period
LGB / Gender Reassignment/ religion and belief / pregnancy and maternity	Awareness raising, understand proposed scheme, how to have their say, update on final decision.	As per residents plus equality forum	As per residents plus	During consultation period
Equality Forum	Consider and understand equality implications to help	Attend equality forum	Feedback from meeting.	September

Housing associations	develop Equality Impact Assessment. Awareness raising, understand proposed scheme, implications for HA and tenants, how to have their say, update on final decision.	Email, meetings	As per residents plus meetings.	Immediately after Exec in August to launch the consultation.
Voluntary organisations: Key infrastructure organisations plus CAB,	Awareness raising, understand proposed scheme, implications for vol org and vulnerable people they support, how to have their say, update on final decision. May also be able to provide support to residents	Email	As per residents plus Meetings on request. Attend Bedfordshire Benefits Network meeting	Pres release/ media after final decision. Immediately after Exec in August to launch the consultation. Pres release/ media after final decision.

5. Products to be developed

Below are the lists of products that need to be developed with deadlines and lead officers.

What	Lead	Deadline
Consultation document	Julie and Karen	13 th August (allows one week for printing and distribution)
Consultation response form	Karen Aspinall	13 th August (allows one week for printing and distribution)
Posters	Karen Aspinall	13 th August (allows one week for printing and distribution)
Online powerpoint	Karen Aspinall	20 th August
Online FAQs	Julie Luckman	20 th August
Presentation for face to face meetings	Karen Aspinall	22 nd August

News Central article	Louise Manders	??
Housing Matters article	Karen Aspinall	6 th September
Stakeholder mailing list	Karen and Julie	21 st August
Press releases & media enquiries	Louise Manders	21 st August
Social media updates	Karen Aspinall	21 st August
Interview questions	Karen Aspinall	1 st September
Presentation for Town and Parish Council Conference	Karen Aspinall	tbc

6. Roles and Responsibilities

The following project team has been established:

Name	Job Title	Role
Gary Muskett	Head of Revenues	Lead officer. Attendance a consultation meetings. Sign off on key documents.
Julie Luckman	Customer Accounts Manager	Booking into different vulnerable group meetings. Support on developing consultation document.
Revs & Bens Team		Note taking at consultation meetings. Printing and distribution of consultation material. Mailing out to existing benefit claimants.
Karen Aspinall	E-Communcation & Consultation	Consultation plan, Consultation document review, Consultation response form, social media, analysis of consultation response and write report. Development of a supporting presentation for face to face meetings.
Louise Manders	External Communications	Consultation document review, News Central, media relations and responding to media enquiries.
Clare Harding	Corporate Policy Advisor	Equality forum, EIA development and advisor on consultation plan.