

Meeting: Executive
Date: 8 January 2013
Subject: 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 the Executive with an overview of the outcomes from the public consultation and make recommendations to Council for a local Council Tax Support Scheme from 1 April 2013.

Advising Officer: Charles Warboys, Chief Financial Officer & section 151 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 is designed to support the Council's Medium Term Plan priorities of:

- 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 a 10% cut in the forecast Council Tax Benefit (CTB) expenditure for 2012/13. There are indications that 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 obtain confirmation of the grant receivable until mid December 2012, as part of the 2013/14 Local Government Settlement.
2. The gross CTB expenditure within Central Bedfordshire is presently £16.7m and the Department for Communities and Local Government (DCLG) indicative funding will leave a shortfall of about £2.5m for the Council to deliver a local 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 and is expecting to receive a further new burdens grant in 2012/13. The administration grant for the existing Housing Benefit scheme will be reduced by £190,821 in 2013/14.
5. There are anticipated to be further consequential costs arising from the implementation of the local CTS scheme. These are expected to include an impact on cash flow arising from delays in collecting Council Tax, increased levels of Council Tax non collection and hence an increase in the bad debt provision, increased costs of Council Tax collection from increased volumes of notices impacting upon paper, enveloping, postage and printing costs.

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. The Local Government Finance Bill received Royal assent on 31 October 2012. Regulations and secondary legislation were issued in November 2012.
7. The Local Government Finance Act states that for each financial year, Council must consider whether to revise its Council Tax Support scheme or replace it with another scheme and that such decisions need to be made by 31 January in the financial year preceding that for which the revision or replacement scheme is to take effect. If the Council does not approve a Council Tax scheme by 31 January 2013, a default scheme will be imposed on the Council which will be effective from 1 April 2013.

Risk Management:

8. The transfer from Council Tax Benefit to localised Council Tax Support is likely result in increased demand with a consequent increase in costs.
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.
12. A full equality assessment is provided at Appendix B as part of the approval process to ensure that due regard is given to the impact of the proposed scheme on the Council's residents, particularly those who are vulnerable and hard to reach.

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 considered this matter on 18 December 2012. The Committee endorsed the Council Tax Support scheme for approval and adoption by the Executive and Full Council respectively.

RECOMMENDATIONS:**The Executive is asked to:**

1. **acknowledge the findings and outcomes from the Council Tax Support scheme consultation carried out with residents and stakeholders as set out in sections 33 to 46 of this report and the Consultation report attached as Appendix A;**
2. **note the estimated financial implications arising from the recommended scheme for the Council's local Council Tax Support scheme with effect from 1 April 2013;**

3. recommend to Full Council on 24 January 2013 to approve the local Council Tax Support scheme as proposed with this report;
4. approve the Council Tax Discretionary Discounts policy attached as Appendix D; and
5. recommend to Full Council on 24 January 2013 to approve the payment of a Council Tax Support Grant to each parish as proposed with this report in sections 67 to 71.

<i>Reason for Recommendations:</i>	<i>So that Full Council can endorse the Central Bedfordshire Council local Council Tax Support scheme. If the scheme is not approved by 31 January 2013, the Council will have to award local Council Tax Support in accordance with the Government's default scheme which will result in the cost of the scheme exceeding the Government grant to the Authority for local Council Tax Support.</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. On 21 August Executive approved the proposed draft scheme for Central Bedfordshire Council and consultation on that scheme was undertaken from 21 August to 14 November. Following the consultation period it is now necessary for the final scheme to be approved.
21. People of pension age have been protected from any cuts in local Council Tax Support and their Support must be calculated in the same way as the present Council Tax Benefit scheme. The local Council Tax Support scheme has therefore had to be devised for people of working age.
22. The Central Bedfordshire Council scheme seeks to achieve cost neutrality, i.e. the cut in Government funding is to be offset by making reductions in the amount of support that working age households can receive and by removing existing discounts and exemptions on empty homes and second homes. A scheme that is not cost neutral is likely to result in either additional efficiency savings or cuts to Council services.

Background

23. The government has made provision within the Local Government Finance Act to replace the current national Council Tax Benefit (CTB) scheme from 1 April 2013 with localised schemes for Council Tax Support (CTS) devised by individual (or groups of) local authorities (LA's).
24. Responsibility within central Government for Council Tax Support has passed from the Department of Work and Pensions (DWP) (responsible for the existing national scheme) to the Department for Communities and Local Government (DCLG) (responsible for the localised provision from April 2013).
25. Local CTS schemes will be funded by a fixed grant unlike the current Council Tax Benefit scheme which has demand-led funding. The fixed grant will result in an immediate reduction to funding when compared to current levels of subsidised expenditure. The headline reduction is 10% but draft figures issued by DCLG indicate that the reduction for the Council is closer to 14%.
26. Local Authorities have a duty to run a local Council Tax Support Scheme within their area that must contain the following:
 - Pensioner claimants will be protected from changes to their existing CTB award through the provision of a statutory scheme. The protection for pensioner claimants will result in the 10% financial saving referred to in section 25 above falling disproportionately on working-age claimants unless it can be met through other arrangements.
 - Schemes must support work incentives. The CLG Policy Statement of Intent does not give a recommended approach to be taken but indicates the considerations of the scheme design that may impact upon work decisions and which local authorities may want to consider.
 - Under the Local Government Finance Bill, the Council must, in the following order, consult with major precepting authorities (i.e. the Police & Fire Authorities), publish a draft scheme in such manner as it thinks fit and consult such other persons as it considers are likely to have an interest in the operation of the scheme.
 - The Council must make its scheme and publish it in such manner as it thinks fit. The decision to make the scheme is reserved for Full Council and cannot be delegated.
 - Once a local Council Tax Support scheme has been made by the Council, it cannot be revised for at least one financial year. A Billing Authority must however *consider* whether to revise or replace its scheme with another one on an annual basis. In practice, this would require any proposals to amend the scheme to be drafted in the summer months to enable consultation and decision making processes to be concluded in time for Council Tax annual billing preparations.

- Any revision to a scheme must be made by the Council by the 31 January immediately preceding the financial year in which it is to take effect and will require consultation arrangements to be applied. Additionally, in future, consideration must be given to providing transitional protection where the support is to be reduced or removed.
- Existing CTB claimants on 31 March 2013 including those that have applied for Benefit but not had their entitlement determined at that time, will not need to reapply for CTS as their application will be treated as though it were made for Council Tax Support. This was outlined within the CLG'S Policy Statement of Intent dated 17 May 2012.
- The implementation of the local Council Tax Support scheme coincides with other major reforms to the Welfare system including Universal Credit; the overall Benefit income cap; Housing Benefit restrictions for under-occupation in the social sector; and the devolvement of certain Social Fund functions from central to local government. This is likely to result in some claimants being affected by multiple changes arising from the reforms.

The Council's Proposed CTS scheme

27. The Council undertook consultation concerning its proposed draft scheme which comprised the key principles and features set out below for working age claimants:

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;
- 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.

28. Other general features of the proposed scheme were as follows:

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/capital 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 receive. 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. Non-dependant deductions are being retained.

29. The Council's proposed scheme has been established with due regard to the Council's statutory obligations, consultation responses and in order to attempt to distribute the reduced funding available amongst those claimants most in need of financial assistance, while still achieving the necessary financial savings to meet the funding deficit. The detailed legal implications concerning these including the public sector equality duty are set out later in this report.
30. The permutations of options and variations for a localised Council Tax Support scheme are almost infinite and a variety of options and variations were considered prior to the consultation process by officers and through discussions with senior Members. These were used to arrive at the proposed draft scheme which formed the basis of public consultation.

31. The proposed local scheme for consideration by Full Council will consist of both statutorily prescribed requirements as defined for claimants of pensionable age and persons from abroad who are to be excluded from entitlement if they are subject to immigration control and/or not otherwise treated as being in Great Britain. There will also be local requirements for working age claimants which have been developed based upon the Council's set of key principles and accompanying technical mechanisms. These represent variations from the existing CTB scheme for working age claimants.
32. The local Council Tax Support scheme complies with the Government's key principles of protecting Pensioner claimants from changes in their existing CTB award, supports work incentives and gives appropriate consideration to support other vulnerable groups, including those which may require protection under other statutory provisions including the Child Poverty Act 2010, the Disabled Persons Act 1986 and the Equality Act 2010, amongst others.

Consultation Arrangements

33. The consultation period of 21 August to 14 November was in accordance with the 12 weeks recommended in the Government's Code of Practice on consultation.
34. Full detail of the consultation and analysis of results is included in the Consultation report attached as Appendix A to this report.
35. In compliance with the Council's consultation obligations, a range of approaches were used to obtain views and comments for the proposals of the Council's local Council Tax Support Scheme as set out below:
 - All consultation documentation including the questionnaire was available on our website.
 - 500 telephone interviews with a cross section of our residents.
 - 18,000 questionnaires posted to existing claimants, Council Tax payers and landlords potentially affected by changes to discounts or exemptions, external and internal partners such as CABs, Social Landlords and Welfare Rights Group.
 - A feature was published in the Autumn edition of News Central magazine sent to every Central Bedfordshire Council household.
 - Meetings and presentations were held with organisations, including the, Citizens Advice Bureau, Older People's reference group, work clubs, Houghton Regis & Dunstable Children's Centre, Child Poverty Strategy Group, Social Landlords forum, Tenants Panel, Learning & Disability Forum and Carers Forum. Proposals were outlined and comments were recorded by Council representatives.

- Paper copies of the documentation were distributed upon request and were available at each of the Central Bedfordshire Council Libraries and Customer Service Offices.
 - Letters outlining the consultation arrangements and how to access the consultation documentation were also sent to the three Central Bedfordshire MP's.
 - Posters advertising the consultation and how to access documentation were displayed at all Council offices.
36. Correspondence with Council officers and records of Question and Answer sessions at public meetings and forums have been logged and have helped to inform the analysis of the consultation feedback and the findings of this report.

Consultation Responses – Analysis

37. The questionnaire used for the consultation was made available on the Council's website throughout the consultation period and printed copies of the document were distributed at all meetings and forums attended. Printed copies were also available upon request and were available at Central Bedfordshire Council libraries.
38. Respondents were asked a series of questions about how the funding gap should be bridged, the various elements of our proposed scheme such as the protected groups e.g. disabled claimants and whether the level of discounts for empty, uninhabitable and second homes should be varied.
39. There were 1,689 consultation questionnaire responses received.
40. Additionally there were letters and emails received from stakeholders and partners such as Towns and Parish Councils, Housing Associations, Landlords and Voluntary Sector organisations.
41. The size of the consultation questionnaire response represents approximately 10 per cent of the total Benefits caseload. It should also be noted that some respondents only answered part of a question or in the case of free text answers, gave more than one response for consideration. In other cases, no responses were given to a question. Consequently, the weight attached to the results obtained from the responses received should be considered accordingly.
42. The profile of the consultation respondents is provided in Appendix A. There was a good mix of different types of people who responded however, the age profile showed that there was a under-representation of people aged between 30 and 49 years of age and an over representation of people aged 70 and over. This is to be expected considering that we wrote to all existing claimants, approximately half of whom are pensioners.
43. A number of the proposals submitted for consideration were proposed by only one respondent and these cannot be achieved due to operational constraints or are administratively complex to operate. Other proposals have already been included within the draft scheme such as those for pensioners and the disabled.

44. From the telephone survey, the majority (55%) supported the Council's proposed approach to bridging the funding gap i.e. "change who gets a reduction". However, just under half of the consultation questionnaire responses (47%) supported this proposal although it was the most favoured approach from the consultation question.
45. The Combined Fire Authority (CFA) response suggested using a combination of all three measures to fill the funding gap, i.e. "increase Council Tax, Cut Services or change who gets a reduction", they said "The CFA are keen to reduce any detrimental effect financial impact upon itself arising from any reduction in the number of band equivalents across its constituent authority areas." Using a combination of options was also suggested by some consultation respondents too. Finding efficiencies in the running of the Council, reducing waste and reducing salaries were also suggestions.
46. Each of the proposed options has been considered with regard to their suitability and feasibility. In some cases suggestions have not been progressed as the proposed scheme already provides for protection (e.g. disabled and pensionable age) or because they would be administratively complex to apply, financially unviable, or cannot be achieved due to operational constraints. Other suggestions have however been considered and it is proposed that these be included within the proposed scheme as is the case for example in the following two cases:
- Consider increasing Premiums and Personal Allowances used to determine basic living needs (Applicable Amount) for a claimant and their family when calculating entitlement to CTS from 2014/15 at the rate of inflation.
 - Establishing a Hardship Fund to enable applications made under existing powers contained within the Section 13A of the LGFA 1992 to be paid where appropriate.

Risks and assumptions of the recommended scheme

47. The level of our funding deficit cannot be determined with precise accuracy as the government will not be issuing final funding allocations until mid to late December. Any relevant announcements will be updated at the Executive meeting.
48. The amendments to Council Tax exemptions and discounts outlined within this report have been modelled to mitigate £1.7M of the funding deficit, but clearly collection of this amount cannot be predicted with precise accuracy.
49. It is intended that changes to the Council Tax exemptions and discounts will have a social benefit in bringing more empty properties into use in Central Bedfordshire. While this would reduce the savings quoted in the model, each house brought into occupation would attract a New Homes Bonus equivalent to the Council Tax Band D level for each property. Although the extent of this is difficult to predict as it relies on owners' and landlords' behaviour, there would be a net gain to the Council for each of the properties affected.

50. Actual future caseload and expenditure growth cannot be determined with precise accuracy although estimates based on the profiles of current expenditure and caseload has been applied to the financial modelling.
51. The Council Tax collection rate for the claimants affected by the changes cannot be predicted with accuracy as many have not previously been required to pay Council Tax, and are also on low incomes. To this extent, estimates have been used.
52. The combined effects of the wider welfare reforms and the recommended Council Tax Support scheme may result in demographic changes to the Central Bedfordshire population and influence residents decisions concerning where they live and work. This could potentially impact upon demand for other services such as schools admissions and housing although any impact may not be apparent until the scheme has been in operation for some time.
53. If the Council is unable to agree its scheme before 31 January 2013, the "default" scheme will have to be applied with the effect that the level of financial savings required to meet the funding gap will not be achieved. This would require the shortfall to be found either by making savings elsewhere or increasing Council Tax levels. Budget planning for 2013/14 will be at an advanced stage at this point and there will be limited time to implement plans that would enable full year savings to be achieved from other initiatives.

Council Tax discounts and exemptions

54. Following separate consultations, DCLG are proposing to allow Local Authorities discretion concerning some of the currently nationally-set Council Tax discounts and exemptions. Broadly, these are as follows:
 - Class A exemptions (i.e. properties requiring major repair works or structural alterations to bring them back into a habitable condition) currently attract up to a 12 month exemption period. The proposal will permit LA's to award a discount within a range of 0% to 100% for the 12 month period.
 - Class C exemptions (i.e. unoccupied and unfurnished properties) currently entitle their owners to up to a six month exemption period. The proposal will permit LA's discretion to award a discount or discounts within the range of 0% to 100% for specified periods of time within the 6 month period.
 - Second homes discount (empty furnished properties, including both genuine second homes and rented properties vacant between tenancies) currently entitles owners of the property concerned to a 10% discount. The proposals permit removal of this discount.

- Long-term empty properties currently require their owners to make full payment of Council Tax. The proposals permit LA's to apply a multiplier or premium after the property has been empty for over two years of up to 150% of the Council Tax liability to encourage their owners to bring them back into use.
- Repossessed properties are currently exempt from Council Tax. The proposal is that mortgagees who are in possession of an empty property should be liable for the Council Tax charge.

55. The local Council Tax Support scheme consultation questionnaires and surveys included the proposed changes to discounts and exemptions. Broadly speaking the respondents are in favour of the removal of discounts and exemptions in respect of empty homes although only 49% of survey respondents and 61% of the consultation respondents were in favour of removing the exemption on Class A uninhabitable properties.

56. The table below shows the effects of the changes (subject to Full Council approval) proposed for Council Tax discounts and exemptions. Subject to approval, and based on a 95% collection rate for the additional Council Tax debit raised the CTS funding gap may be mitigated by approximately £1.7m.

Type of discount/ exemption	Current Position	Proposed Change	Additional Charges
Class A – uninhabitable	12 month exemption	0% discount	£100,000
Class C – Unoccupied & unfurnished	6 month exemption	0% discount	£1,625,000
Second homes	10% discount	0% discount	£50,000
Long term empty homes	100 Council Tax payable	150% Council Tax payable	£240,000
Repossessed properties	Open ended exemption	100% Council Tax payable	£50,000
Total			£2,065,000
Less Police & Fire share (13.8%)			£295,320
Less 5% bad debt			£107,000
CBC total share			£1,662,680

Council Tax - Discretionary Discounts (Hardship Fund)

57. Under the Local Government Finance Act 1992 (LGFA) dwellings may be exempt from Council Tax if they fall within one of the specified classes as set out in Section 4 of that act (SI 1992/558).

58. The amount of Council Tax payable may be subject to a discount under Section 11 LGFA 1992 where there is no resident, or all but one of them fall to be disregarded.

59. Under the provisions of Section 13 LGFA 1992 the amount may be reduced where it is occupied by a disabled person.
60. Billing Authorities did not have the discretion to grant any further discounts until 2003, when Section 76 of the Local Government Act 2003 inserted a new section 13A into the LGFA 1992. This gave Authorities a broad discretion to reduce the amount of Council Tax payable. This power may be exercised in individual cases or classes of cases.
61. There is a general rule of law that where the Council has a discretionary power, it must not fetter its discretion by having a set of rules that are inflexible. Therefore the criteria contained in the proposed policy represent clear guidance, but it is permissible for the decision maker to come to a different decision than indicated if the information before them justifies such a decision.
62. Any reductions in Council Tax charges will be funded locally by reducing the collectible debit.
63. It is proposed to limit any reduction to a maximum of £500 having due regard to the Council's finances.
64. Each case will be given careful consideration to determine if it is equitable to grant a further discount taking into account the possible impact on cash collection, services and the level of Council Tax set currently and in the future.
65. Any award granted will cease at the end of the relevant financial year and a re-application will be required for consideration of an ongoing discount.
66. The proposed policy is attached at Appendix D.

Funding to Support Town & Parish Councils

67. The result of changing from a subsidised system of Council Tax Benefit to one of reductions in Council Tax will be to effectively reduce the Tax Base across all Parishes in Central Bedfordshire. In May 2012 DCLG published a consultation on how it intends to make funding available to help offset the reduction in Tax Base.
68. The consultation also provided an indicative level of funding allocations including an amount attributable to the local precepting authority (Town and Parish Councils) element of Council Tax. In the case of Central Bedfordshire the indicative funding for Town and Parish Councils amounted to £801,000.
69. The Government has stated its expectation that billing authorities work with local precepting authorities to put in place arrangements to pass on a proportion of the Council Tax Support grant to assist local precepting authorities facing a reduction in their Council Tax Base, in order to avoid excessive rises in the local precept component of Council Tax bills.
70. This report recommends that the indicative grant for local precepting authorities of £801,000 is passed on in full to the local precepting authorities on a proportionate basis, dependent upon the forecast level of Council Tax Support discounts to be awarded in each Parish in 2013/14.

71. The amount of grant set out above, may be subject to amendment, once the Local Government Financial Settlement has been announced. At the time of writing this report this announcement is still awaited. The final amount to be distributed will be confirmed in the final Budget proposals presented to Council in February 2013.

Appendices:

- Appendix A – Consultation report and analysis
- Appendix B – Equality Impact Assessment
- Appendix C – Central Bedfordshire Council CTS scheme
- Appendix D – Council Tax Discretionary Discounts Policy

Background Papers: (open to public inspection)

1. Welfare Reform Act (March 2012)
http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_en.pdf
2. Localising Support for Council Tax in England (Government Consultation paper: August 2011)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8463/19510253.pdf
3. Localising Support for Council Tax in England Government's response to the outcome of consultation (December 2011)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8467/2053712.pdf
4. Central Bedfordshire Council Draft Council Tax Reduction Scheme
5. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf
6. Local Government Finance Act 2012, Chapter 17
http://www.legislation.gov.uk/ukpga/2012/17/pdfs/ukpga_20120017_en.pdf