

## **COUNCIL TAX SUPPORT – COUNCIL TAX REDUCTION SCHEME (LOW INCOME)**

### **1. INTRODUCTION**

- 1.1 The national scheme for Council Tax Benefit (which provides financial help for those on low income) is being abolished on 31 March 2013. Instead, the Council is required to make a Council Tax Reduction Scheme for those on low income in its area.
- 1.2 Increased powers for local discretions to enable alterations to certain council tax discounts / exemptions to commence from 1 April 2013 are the subject of a separate report and are not part of the council tax reduction scheme to which this report refers.
- 1.3 The council tax reduction scheme must be formally made by the Council no later than 31 January 2013, to take effect from 1 April 2013. The Government has constructed rules for a 'default scheme' which will have to be operated by any council that does not make a local scheme by 31 January 2013. This replicates the present rules for council tax benefits. It is contained in schedule 1 of The Council Tax (Default Schemes) (England) Regulations 2012.
- 1.4 The council tax reduction scheme ("the Scheme") as proposed for New Forest District Council uses the 'default scheme' subject to some modifications. It fulfils the prescribed requirements for localised schemes and will enable the Council to claim a one-off grant from central government (see section below "TRANSITIONAL ARRANGEMENTS").
- 1.5 This report presents the Scheme for approval by the Council.

### **2. BACKGROUND**

- 2.1 A Task & Finish Group was set up in April 2012 to recommend:
  - A council tax reduction scheme to replace the existing council tax benefits scheme. The Government has stipulated that there must be no change to the level of help that pensioners already receive (i.e. as compared against the rules for the present scheme).
  - A revised Council Tax Discounts policy, in light of greater freedoms provided by government (see separate report on agenda – it should be noted that this is not part of the Scheme).

- 2.2 The Task & Finish Group met six times between April 2012 and October 2012. During this period the group drafted options for comprehensive consultation, met with interested parties, reviewed the Equalities Impact Assessment, considered the responses to the Council's consultation process, drafted initial recommendations and reviewed their recommendations in light of a further government announcement of conditional extra funding.
- 2.3 The Task & Finish Group worked closely with the Portfolio Holder for Finance & Efficiency on this complex subject and the general thrust of their recommendations have been approved by the Corporate Overview & Scrutiny Panel.

### 3. CONSULTATION ON THE SCHEME AND FEEDBACK

- # 3.1 The initial proposed features of the scheme were subject to comprehensive consultation and are summarised in **Appendix A**. The Equality Impact Assessment is attached **at Appendix B**. The feedback from the public consultation was considered by the Task and Finish Group.
- # 3.2 All precepting authorities and interested organisations were also consulted early on the initial proposals as required. The major precepting authorities made a detailed response and expressed the view that billing authorities in Hampshire should consider developing 'core elements' of future schemes which should be applied consistently across the County.
- 3.3 During this stage of the process, a further measure to incentivise work was also introduced. This proposed an increase in the amount of weekly earnings to be disregarded in the calculation of a Scheme reduction for some working age applicants.

### 4. INITIAL RECOMMENDATIONS OF THE TASK AND FINISH GROUP

- 4.1 Following careful consideration of all feedback and having due regard to the Equalities Impact Assessment, the Task & Finish Group decided not to include increased contributions from other adult members of the household or a minimum level of award in a draft scheme.
- 4.2 The Task and Finish Group supported carrying over into the new scheme the present principle of wholly disregarding war pensions and war widows' pensions in the calculation of weekly income.
- 4.3 The Task & Finish Group also recommended that the Council's Local Council Reduction Scheme be based on the existing Council Tax Benefit Scheme but modified for working age applicants to
- a) Cap the maximum reduction at an average (band D) home,
  - b) Reduce the maximum council tax reduction from 100% to 80% (i.e. everyone except the most vulnerable would have to pay a minimum of 20% council tax),
  - c) Change the capital limit (above which there is no entitlement to a reduction) from £16,000 to £6,000,
  - d) Remove the 'second adult' rebate,
  - e) Disregard £25 per week of earned income for single adults and couples (presently £5 and £10 respectively) to incentivise work.

## **5. TRANSITIONAL ARRANGEMENTS**

- 5.1 As the Task & Finish Group were in the final stages of formulating their recommendations, the Government announced additional funding for one year only to help the transition. This voluntary grant is conditional and will only be paid to Councils that implement a scheme that meets certain criteria, one of which is that a compliant scheme would require claimants who currently pay no council tax (because they receive maximum council tax benefit) be required to pay no more than 8.5% council tax in 2013/14.
- 5.2 A local scheme containing the initial recommendations of the Task and Finish Group set out in 4.3 above would not meet the Government's criteria for claiming the voluntary grant under these transitional arrangements.
- 5.3 In order to maximise the funding available from government for the benefit of all our council taxpayers and to reduce the amount that existing benefit claimants would otherwise have to pay, the Task & Finish Group now recommends that the Council applies for the voluntary grant.
- 5.4 To qualify for the voluntary grant,
- 5.4.1 the implementation of recommendation 4.3a) and 4.3c) needs to be deferred to 1 April 2014 or such later time that the conditional voluntary grant ends.
- 5.4.2 the implementation of 4.3b) needs to change so that everyone of working age (except the most vulnerable) will have to pay a minimum of 8.5% in 2013/14 (that is, the maximum amount of council tax support is 91.5%, not 100% as under the present council tax benefit scheme). Note - the figure of 8.5% can be altered to 20% for future years after expiry of the government transitional funding,
- 5.4.3 initial recommendations 4.3d) and 4.3e) may still be implemented from 1 April 2013 without affecting the conditions for claiming the grant.
- 5.5 The Scheme accompanying this report is supported by the Task and Finish Group and reflects the changes at 5.4.

## **6. SUMMARY**

- 6.1 The Task and Finish Group recommends that a new council tax reduction scheme to take effect from 1 April 2013 be based on the rules of the present council tax benefit scheme, subject to a range of amendments. The table at 6.3 below shows the original proposed amendments to the base scheme and the revised proposals made in order to enable the Council to meet the conditions to apply for the transitional grant.
- 6.2 The default scheme set out in the schedule to The Council Tax Reduction Schemes (Default Schemes)(England) Regulations 2012 provides a base for the council tax support scheme as it sets out a scheme that treats applicants in the same way as claimants of council tax benefit are currently treated.

6.3 Table showing original and revised proposals:

<b>Original Proposals to amend base scheme</b>	<b>Revised Proposals</b>	<b>Date for implementation</b>
Cap the maximum council tax reduction at the level of a band D home	Defer in order to qualify for conditional grant	After 31 March 2014
Amend the maximum council tax reduction from 100% to 80%, i.e. everyone except the most vulnerable would have to pay a minimum of 20% council tax.	Change 20% to 8.5% inline with the Government's condition for claiming the grant	Implement revised proposal from 1 April 2013. Original proposal after 31 March 2014 and applies in addition to the band D cap.
Change the capital limit (above which there is no entitlement to a reduction) from £16,000 to £6,000	Defer in order to qualify for conditional grant	After 31 March 2014
Remove the 'second adult' rebate	No change from original	1 April 2013
Disregard £25 per week of earned income for single adults and couples (presently £5 and £10 respectively) to incentivise work	No change from original	1 April 2013
A War Pension and a War Widow's Pension continue to be disregarded in calculating income.	No change from original	1 April 2013

6.4 There are other minor administrative additions to the Scheme which have no financial implications and will not adversely affect applicants compared to the existing council tax benefit scheme.

# 6.5 The Scheme is set out at **Appendix C**

## 7. FINANCIAL IMPLICATIONS

7.1 Council Tax Benefit which is wholly funded by the Government is being abolished on 31 March 2013. NFDC currently pays out approximately £10million in council tax benefit and this sum is deducted from the council tax bills issued on behalf of the major preceptors, the district and local councils.

7.2 The Council Tax Reduction scheme is reflected within the calculation of the Council Taxbase Report. The proposals for the Reduction scheme in 2013/14 are based on the assumption that working age claimants will contribute no more than 8.5% towards their net Council Tax Liability and this will as a direct consequence attract Transition Grant for one year only. Although subject to an annual decision of Council the proposal for 2014/15 is set out based on the assumption that working age claimants will contribute no more than 20% towards their net Council Tax Liability.

- 7.3 The financial implications of the proposed Council Tax Reduction Scheme are set out as follows:

	2013/14 £	2014/15/ £
Estimated value of share of current benefits	10,000,000	10,000,000
Estimated Government Grant	<u>(8,917,000)</u>	<u>(8,917,000)</u>
Estimated Funding "Shortfall"	1,083,000	1,083,000
Share of savings from new Reduction Scheme	(264,000)	(662,000)
Share of Transition Grant	<u>(234,000)</u>	<u>Nil</u>
Estimated Net Cost	585,000	421,000

- 7.4 The overall financial implications for the District Council are contained within the separate budget report on the agenda.

## 8. PORTFOLIO HOLDER COMMENTS

- 8.1 When "localising" council tax benefit government chose to provide support for only 90% of the projected cost. At the same time, any reduction in the benefits of pensioners and the vulnerable was embargoed. This meant that unless other changes were made, the 40% of beneficiaries remaining would have had to bear a substantial cut in benefit. This was considered unacceptable and therefore a fairer apportionment of the funding shortfall would therefore have to be found.
- 8.2 In money terms the government cut in funding amounts to in excess of £1million p.a. Although this could be shared with other councils, the police and the fire service, such an approach would mean the cost ultimately falling on the shoulders of local council tax payers. In searching for ways to avoid this, it was felt that firstly, greater encouragement should be given to those of working age to find a job and secondly, to help alleviate the shortage of homes in the New Forest, owners should be encouraged not to leave properties empty. These two categories of people are therefore being asked to make a contribution to the funding shortfall.
- 8.3 I believe the actions recommended in this report will achieve these aims and be judged as a positive step by our residents. In summary they should - a) leave precepting authorities with little or no extra cost; b) leave front line services unaffected; c) impose no extra cost on council tax payers of the New Forest who are resident and not on benefit and d) provide the greater aforementioned encouragement.
- 8.4 Next year, it is my intention to review how these proposals are working and consider how to proceed without the government "transitional" grant which has been given for one year only to reduce the impact of its funding cut on benefits.

## 9. RECOMMENDATIONS

- 9.1 That it be a recommendation to Council that:
- 9.1.1 In accordance with The Local Government Finance Act 1992 section 13A(2) the Council now make its council tax reduction scheme which comprises the Scheme document at **Appendix C** to this report together with the schedule to The Council Tax Reductions Schemes (Default Schemes) (England) Regulations 2012 and subsequent amendments thereto made by the Secretary of State.

- 9.1.2 The Council agree that amendments set out at 9.3 below be incorporated into its Council Tax Reduction Scheme commencing on a date after 31 March 2014 and that date of commencement shall be determined by a resolution of the Council made not later than 31 January 2014.
- 9.1.3 The amendments commencing on a date after 31 March 2014 are
- 9.3.1 In calculating a council tax reduction for an applicant living in a dwelling with a council tax band greater than band D, the daily council tax amount shall be calculated using council tax band D,
- 9.3.2 Subject to 9.3.1 the maximum council tax reduction amount shall be 80% of the daily council tax amount,
- 9.3.3 Applicants with capital exceeding £6,000 shall be disentitled to a council tax reduction.
- 9.1.4 The existing delegations to officers for the administration of council tax benefit be extended to include administration of the council tax reduction scheme.

**Important note:**

The Council Tax Reductions Schemes (Default Schemes) (England) Regulations 2012 can be viewed on-line using the following link:

**Background Information:**

Minutes of Task & Finish Group

**Further Information:**

Members of Task & Finish Group: Cllrs John G. Ward (Chairman), Chris Harrison, Roxanne Bellows, Jeremy Heron, Christine Ward, Goff Beck

Portfolio Holder: Cllr Colin Wise

Officers: Bob Jackson, Glynne Miles, Tel 023 8028 5588, [glynne.miles@nfdc.gov.uk](mailto:glynne.miles@nfdc.gov.uk)  
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Ryan Stevens, Kevin Green



This page is a print version of New Forest District Council article 12859

## Local Council Tax Support (CTS)

Council Tax Benefit is being abolished and replaced by local Council Tax Support (CTS). New Forest District Council is required to set criteria for deciding whether residents are eligible for help to pay their Council Tax bill.

We want to hear your views on the proposed changes.



### What is Council Tax Benefit?

Council Tax Benefit helps people on low income pay their Council Tax. Central government currently sets the rules regarding who can claim Council Tax Benefit. If somebody meets the criteria they receive a contribution (up to 100%) towards their Council Tax bill. This contribution is paid for by central government.

New Forest District Council (NFDC) is responsible for collecting the Council Tax which helps to fund the services provided by Hampshire County Council, the Police, Hampshire Fire & Rescue, NFDC and your local town or parish council.

In the New Forest about £10.4 million is now spent on Council Tax Benefit with the number of claimants having increased over the last few years.

### Why is there a need for change?

The Government is abolishing Council Tax Benefit and requiring local councils to replace it with local Council Tax Support (CTS). At the same time government funding for this purpose is being reduced by over £1 million. The shortage in funding means NFDC on behalf of other local authorities has to consider some difficult decisions about who gets help to pay their Council Tax.

The Government has stated:

- There will be no change to the amount of help pensioners currently receive.
- The impact on the most vulnerable should be considered when councils design their new schemes.
- The new scheme should encourage people to work and in particular should not act as a disincentive to working.

Local councils are allowed to decide the rules for their own local CTS schemes. Following consultation NFDC will finalise a scheme to be in place by 31 January 2013.

### We want to hear your views

The council is committed to a full consultation process and we are consulting with residents and relevant groups before the new scheme is introduced.

A questionnaire to collate views of all residents is available to complete until Sunday 30 September 2012. This is your opportunity to influence what the new CTS scheme should look like. You can complete the questionnaire [online](#) or print a [hard copy](#) and return it to - Performance Team, New Forest District Council, Appletree Court, Beaulieu Road, Lyndhurst, SO43 7PA.

More about the scheme:

Last updated: 27 July 2012



This page is a print version of New Forest District Council article 12860

**Changes being proposed**

The Government, through the Spending Review 2010, made a commitment that support for Council Tax would be localised from 2013-14 and funding is being reduced. Without making changes to the current scheme the loss of the government's funding of over £1 million would result in either reductions of local services or higher Council Tax.

New Forest District Council is therefore considering possible changes to the current benefits scheme for working age claimants. Below is a brief description of the changes we are considering to help us make the necessary reduction in expenditure.



Council Tax Benefit is changing

**There will be no change to the amount of help pensioners currently receive.**

Option	Current scheme	Proposed change
A	Capital for working age claimants between £6,000 and £16,000 is taken into account when calculating benefit. Claimants with capital over £16,000 do not receive any benefit.	Change this limit from £16,000 to £6,000.
B	A claim is worked out based on the properties Council Tax band. Higher value properties receive more benefit.	Limit Council Tax support for bands D to H to a 'band C' property.
C	Many working age claimants on low income pay little or no Council Tax towards local services.	All working age claimants (except the most vulnerable) to pay a minimum of 20% Council Tax: On a 'band C' property this would mean every working age couple paying at least £5 per week (£260 per year) towards all council services, Police, Hampshire Fire & Rescue and local town and parish councils.
D	The current Council Tax Benefit scheme expects a grown up son, daughter, friend or relative (non-dependants) living with a claimant to make a contribution towards their Council Tax bill.	Increase contributions by 50% from other adult members of the household.
E	There is no set minimum amount of Council Tax Benefit, so claimants could receive as little as 1p per week regardless of the administrative costs.	Set a minimum level of award of £1.00 per week.
F	A single householder who would not be in receipt of benefit but has another adult living with them on a low income can get up to 25% off their Council Tax bill - 'second adult rebate'.	Remove 'second adult rebate'.

A scheme which included all of the above changes could reduce the council's expenditure by approximately £1 million a year.

Last updated: 27 July 2012





**New Forest District Council  
Equality Impact Assessment**

Name of policy being assessed	Localisation of Council Tax Support
Date of assessment	31 August 2012
Service	Tax & Benefits
Policy owner	Glynne Miles
Lead Officer	Catherine Granville

### **1. What is the overall purpose and aim of the policy?**

Currently, Council Tax Benefit (CTB) is a national means-tested scheme for low income households to help pay their council tax. Funding is from Department for Work and Pensions and the council is reimbursed for 100% of its expenditure.

The Government announced at the Spending Review in 2010 that CTB is to be abolished and from 1 April 2013 the council will have to introduce and implement its own local Council Tax Support. Funding will be reduced by approximately 10% and it will be for the council to determine how to manage the funding reduction. New Forest District Council will receive approximately £1m less from the Government as a result of this change.

The Government has stated that people who are of pensionable age will be protected from the new scheme and will continue to have any council tax support worked out using existing regulations. This is because the Government wants to protect low income pensioners and do not consider this group can increase their income from working. This means that any savings will have to be met from those claimants who are of working age.

Protecting all recipients would impact negatively on the council's budget and those of precepting authorities. Failure to make the savings will have adverse repercussions for all services within the council. The council will take into account the impact on those people not in receipt of council tax support.

### **2. Information about users, research and other evidence**

The council has 80,095 properties within the district. Currently, 10,800 households receive Council Tax Benefit within the district. The majority of recipients also receive Housing Benefit; only 3,452 receive CTB only. Of all CTB claims, 45% are of working age and may be affected by the proposed local scheme.

Currently there are 1,574 claims with Disability Living Allowance.

The council have the option of allowing the cost to fall on the General fund, and ultimately the tax payers, or designing a revised scheme. The options are:

1. Do nothing
  - Accept the governments default scheme and incur the costs of this scheme
  - Find the 10% reduction in funding through reduction in spending in other areas
2. Design and implement a new Local Council Tax Support scheme.
  - The proposal is to continue a means test scheme. This will be similar to the current Council Tax Benefit scheme. To avoid passing the cost of the reduction onto taxpayers, further changes need to be applied. The changes being considered are:
    - Reducing the capital limit from £16,000 to £6,000

- Capping the eligible council tax to a band C property
- Calculating award based on a % of maximum eligible council tax, e.g. 80%
- Increasing non-dependent deductions
- Having a minimum entitlement of £1
- Removing Second Adult Rebate

### **3. Who is or will be affected and how will the changes impact on these groups**

The proposals for local Council Tax Support aim to be as fair as possible to all client groups. It is our view that the proposals do not result in unlawful discrimination and the proposals made keep current protections for people with disabilities.

**Pensioners:** Pensioners will not be affected by the new localised scheme. Support for Pensioners will be provided by a retained national scheme provided for by the Council Tax Reduction Scheme (prescribed Requirements) Regulations 2012.

**Working age:** The new scheme will affect all claimants of working age. The Government expects that the scheme will be designed to incentivise work. In the proposed scheme, all working age claimants will be affected by this new scheme unless they are vulnerable.

**Vulnerable Groups:** The Government recognises that council's have statutory duties to vulnerable groups. However, it is for the council to decide which groups are considered vulnerable and therefore protected from the new scheme. The council is proposing to protect those claims where there is a disability premium when working out any support, typically awarded where the claimant or partner are receiving Disability Living Allowance or Severe Disablement Allowance.

The impact on each of the proposals for working age claimants is as follows:

Reducing the capital limit to £6,000	Currently a claimant can have savings of up to £16,000 and be entitled to council tax benefit. The council is proposing to reduce this limit to £6,000.
	Impact: There would be approximately 100 people affected, being from any group. This could be seen as a disincentive to save but equally people may consider people with capital should not be getting support as they could afford the council tax payments.
Capping the level of council tax support to a Band C (or D) property	Currently CTB is awarded regardless of what council tax band a property has. The council is proposing to limit support to a band C property. Claimants in higher bands can still receive support, but only to a maximum of a band C property.
	Impact: Capping at Band C will impact on 720 claimants who will have to pay more council tax. This could be families who are on a low income or older claimants of working age. Capping to a band D impacts on 230 claimants.
Calculating the award based on 80% of the council tax	Currently CTB is worked out on 100% of the council tax liability. The council is proposing to limit the amount of support to 80% of the liability.
	Impact: This affects all non-vulnerable claimants, especially those on very low incomes, e.g. passported claims, that is those currently receiving a specific state benefit which entitles them to maximum council tax benefit, who have not previously had to pay any council tax. No particular equality group is affected.
Increasing non-dependent deductions	Currently a claimants weekly CTB is reduced by an amount depending on the gross income of a non-dependent living in the household, typically an adult son or daughter. The council is proposing to increase the deductions by 50%.
	Impact: This will impact on 263 claims who will have to pay more council tax. There is no evidence to support an impact on any particular group. Those affected may have difficulty in obtaining the amount of the deduction from the non-dependent.

Having a minimum entitlement of £1 per week	Currently CTB is awarded whatever the amount. The council is proposing to have a minimum award of £1 per week. This is mainly for administrative purposes
	Impact: This would affect 22 claimants who will have to pay slightly more council tax.
Removing Second Adult Rebate (SAR)	Currently SAR is awarded if the claimant is not entitled to CTB but can be awarded up to 25% of CTB if they have a second adult living with them who is on a low income.
	Impact: This would affect roughly 60 households. No particular group is affected and some could afford to pay the full council tax.

### **Assessing the impact**

The proposals do not impact on any of the protected groups in a positive or negative way.

Age	Impact: The only age factor is the need to be over 18 to be liable for council tax. As a result, the proposals will have a negative impact on the working age which account for approximately 45% of claims, including families. Therefore, the scheme treats pensioners more favourably and there is a greater burden on the working age.
	Claimants aged under 25, of which there are 270, especially those in receipt of JSA will have to find the shortfall from less benefit. Single claimants, under 35 in receipt of Housing Benefit have been hit the hardest following recent national reforms.
	Mitigation: Pensioners will be protected. The council will be writing to all claimants affected by the changes.
Gender	Impact: The proposals will not treat people of either sex differently. All people in this group of working age will have to pay more council tax. There could be more to pay for lone parents, which tend to be female.
	Mitigation: The proposed scheme will continue to include the current disregards.
Belief	Impact: The council does not hold any data on the beliefs of claimants, as it is not relevant in the calculation of Council Tax Benefit. The proposed scheme will not treat people in these groups differently. All people of working age in the group will have to pay more council tax.
	Mitigation: None needed
Disability	Impact: Those claimants in receipt of Disability Living Allowance (DLA) are protected from the proposed scheme. There are approximately 1,500 claims where a claimant or partner is receiving DLA. The council will also maintain the income disregards of benefits of disabled people such as disability living allowance.
	Mitigation: The proposed scheme continues existing protections in the calculation and protects disabled people from the proposals.
Race	Impact: The council does not hold any data on the race of claimants, as it is not relevant in the calculation of Council Tax Benefit. The proposed scheme will not treat people in these groups differently. All people of working age in the group will have to pay more council tax.
	Mitigation: None needed

Sexual orientation	Impact: The council does not hold any data on the sexual orientation of claimants, as it is not relevant in the calculation of Council Tax Benefit. The proposed scheme will not treat people in these groups differently. All people of working age in the group will have to pay more council tax.
	Mitigation: None needed
Transgender	Impact: The council does not hold any data on the sexual orientation of claimants, as it is not relevant in the calculation of Council Tax Benefit. The proposed scheme will not treat people in these groups differently. All people of working age in the group will have to pay more council tax.
	Mitigation: None needed
Marriage and civil partnership	Impact: Married couples and civil partnerships are recognised and treated equally in the current Council Tax Benefit scheme and this will continue in the proposed council tax support scheme.
	Mitigation: None needed
Maternity	Impact: The treatment of income and capital of women expecting children is a feature of the current scheme and will continue in the local council tax support scheme.
	Mitigation: None needed

The current benefit scheme recognises the additional financial burdens of disabled people through additional allowances/premiums and the disregard of certain incomes within the means test. The proposed scheme will continue to include these features and as such the scheme positively recognises disability.

The current benefit scheme recognises the additional financial burden for those with children, through additional allowances for each child, child care costs and disregarding earnings. The proposed scheme will continue to include these features.

#### **4. Submissions from interested parties**

The consultation will give further details. The council had encouraged public opinion with advertisements in local papers, in all council offices and via its website, including Facebook and Twitter. Community and Voluntary have been invited to respond. The council also held an open consultation, inviting targeted groups such as Community First, but received minimal response.

#### **5. Monitoring and Review**

The radical nature of the reform to delivery and the reduction in funding means a total rethink of the support given. The council will review responses from consultation. There will be opportunities in future both following this consultation to review the proposed scheme, in particular minimising any negative effects of the scheme. These reviews will have regard to consultation responses, impact on the authority's budget, service users, stakeholders and council tax payers.

The council will review its procedures for customers who have difficulties paying their council tax.

NEW FOREST DISTRICT COUNCIL

COUNCIL TAX REDUCTION SCHEME

- 1 This document may be cited as the Council Tax Reduction Scheme (“the Scheme”) made by New Forest District Council as billing authority for the New Forest area. *LGFA 2012 S10(4)  
LGFA 1992 S13A(2)*
- 2 **Commencement**  
The first financial year to which the Scheme relates is the year beginning with 1 April 2013.
- 3 **The Scheme**
- (1)..... A reference to the Scheme Schedule is a reference to the schedule to The Council Tax Reduction Schemes (Default Schemes) (England) Regulations 2012 and any amendment to the schedule to those Regulations made by the Secretary of State. *SI 2012 No. 2886  
LGFA 1992 Sch 1A*
- (2)..... Subject to subparagraph (3) the Scheme comprises the Scheme Schedule.
- (3) (a). A matter referred to in paragraph 4 of the Scheme shall be excluded from the Scheme Schedule.
- (b). A matter referred to in paragraph 5 of the Scheme shall modify the Scheme Schedule accordingly.
- (c). A matter set out at paragraph 6 of the Scheme is comprised in the Scheme.
- 4 **Matters prescribed in the Scheme Schedule which are excluded from the Scheme**
- Paragraph 18 of the Scheme Schedule (Class F: alternative maximum council tax reduction – persons who are not pensioners) and all consequential references to the aforementioned Class F.
- 5 **Matters prescribed in the Scheme Schedule which are modified in the Scheme**
- (1).... Paragraph 29 of the Scheme Schedule shall be amended as follows: in subparagraph (1), delete “100%” and insert “the relevant percentage”. After sub-paragraph (6) add
- “(7) In this paragraph, “the relevant percentage” means
- (a) 100% in the case of a person who is a pensioner,
- (b) 100% in the case of a person to whom sub-paragraph (8) applies,
- (c) 91.5% in any other case.
- (8) This sub-paragraph applies to a person who is entitled to a
- (a) Disability Living Allowance,
- (b) Severe Disablement Allowance, or
- (c) Personal Independence Payment. “

- (2).... In schedule 6 clause (1) of the Scheme Schedule (Amounts to be disregarded in the calculation of income other than earnings: Pensioners) for the words “£10 of” shall be substituted “the whole of”.
- (3).... In Schedule 8 clause (20) of the Scheme Schedule, (Sums disregarded in the calculation of income other than earnings: Persons who are not pensioners) for the words “Subject to paragraph 40, £10 of” shall be substituted “the whole of”.
- (4).... In schedule 7 of the Scheme Schedule clauses (8) to (11) of the Regulations for “£5”, “£10” and “£20” shall be substituted “£25”.

## **6 Matters not prescribed in the Scheme Schedule which are comprised in the Scheme**

- (1).... A claim for council tax benefit may be treated as an application made for a reduction under the Scheme.
- (2).... A written notice served on the authority by an aggrieved person in accordance with schedule 1 Part 2 of the Scheme Schedule (Procedure for making an appeal) shall be served no later than one month after the date on which the decision is given by the authority.
- (3).... The authority shall be under no duty to award a reduction in respect of an application made under schedule 1 Part 3 of the Scheme Schedule.

### **Key to abbreviations:**

Local Government Finance Act 1992	<i>LGFA 1992</i>
Local Government Finance Act 2012	<i>LGFA 2012</i>
The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012	<i>SI 2012 No. 2886</i>

.....

### *Explanatory Note*

*This Council Tax Reduction Scheme (“the Scheme”) takes effect from 1 April 2013 to replace the means-tested National scheme of Council Tax Benefit. Applicants of Pension Credit age are protected at levels of entitlement under the national Council Tax Benefit scheme.*

*For the year 2013-14 commencing 1 April 2013, the Scheme comprises the schedule to The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 20126, except in these key aspects:*

- Alternative Maximum Council Tax Reduction (commonly called “Second Adult Rebate”) is not available for applicants who have not reached pension credit age,*
- The maximum council tax reduction under this Scheme for a person who is not entitled to certain disability payments or who has not reached pension credit age is 91.5%,*
- The maximum weekly amount of a War Pension and a War Widow’s Pension to be disregarded is the whole amount. This replicates the local scheme disregard for council tax benefit.*
- The amount of weekly earnings to be disregarded for an applicant who has not reached pension credit age is £25 for a single applicant and for a couple, rather than £5 and £10 respectively, in order to support incentives to work.*
- Transitional arrangements for a council tax benefit claim to be treated as an application for council tax support.*

*The Council will consider each year whether to revise the Scheme or to replace it.*

Dated: 28 January 2013