



## COUNCIL TAX REDUCTIONS AND DISCOUNTS 2014/15

### 1. INTRODUCTION

- 1.1 Members will recall that the national scheme for Council Tax Benefit (which provided financial help for those on low income) was abolished on 31 March 2013. Instead, the Council made a local Council Tax Reduction Scheme for those of working age on low income in its area, effective from 1 April 2013. (The Government stipulated that there must be no change to the level of help that pensioners already receive).
- 1.2 Increased powers for local discretions which enabled alterations to certain council tax discounts / exemptions also commenced from 1 April 2013 and the Council introduced a number of changes from that date.
- 1.3 This report recommends a revised Council Tax Reduction Scheme from 1 April 2014 and recommends that no further changes be made to Council Tax Discounts.
- 1.4 The Council Tax Reduction Scheme must be formally made by the Council no later than 31 January 2014, to take effect from 1 April 2014. 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. This replicates the former rules for council tax benefits. It is contained in schedule 1 of The Council Tax (Default Schemes) (England) Regulations 2012.
- 1.5 The Council Tax Reduction Scheme as proposed for New Forest District Council uses the 'default scheme' subject to some modifications. It fulfils the prescribed requirements for localised schemes.

### 2. REVIEW PROCESS

- 2.1 A Task & Finish Group met on two occasions during the year to review the effectiveness of the changes introduced in 2013/14 and to recommend any changes effective from next year 2014/15.
- 2.2 The Task & Finish Group worked closely with the Portfolio Holder for Finance & Efficiency on this rather complex subject.
- 2.3 The recommendations of the Task & Finish Group are to be considered by the Corporate Overview Panel in November 2013 and Cabinet and Council in December 2014.

### 3. SUMMARY OF CHANGES INTRODUCED EFFECTIVE FROM APRIL 2013

- 3.1 The Council's Local Council Tax Reduction Scheme for 2013/14 required all working age claimants (except the vulnerable) to pay a minimum of 8.5% council tax. Previously some of these claimants would have received full council tax benefit and paid no council tax.

- 3.2 The Council decided not to charge claimants a higher amount and not to introduce other changes that had originally been proposed for 2013/14, in order to qualify for transitional grant from the Government.
- 3.3 The Council decided the following in respect of council tax discounts, effective from 1 April 2013:
  - a. The 10% discount on so-called 'second homes' was removed, so that 100% council tax is now payable. The Council decided not to introduce an 'empty homes premium' and to carry out a review of such properties. A brief summary of the findings from the review is included later in this report.
  - b. The free period on empty unfurnished homes (so-called 'void properties') was reduced from six months to one month.
  - c. A 50% charge was introduced where major repair work is being undertaken for the first 12 months. No council tax was previously charged in such cases. (100% council tax applies after the first 12 months).

#### **4. SUMMARY OF CHANGES ORIGINALLY PROPOSED FOR 2014/15**

- 4.1 If the Government withdraws the transitional grant from April 2014, the Council proposed to amend the Council Tax Reduction Scheme from 2014/15 as follows, subject to this review:
  - a. Cap council tax reductions at band D (so that claimants living in higher banded properties receive any reduction based on band D).
  - b. Reduce the savings limit from £16,000 to £6,000 (so that claimants on low income with more than £6,000 in savings would not be entitled to any reduction).
  - c. Increase the minimum contribution from 8.5% to 20%.
- 4.2 The Council consulted the major preceptors and the public on these proposals as required and the responses have been collated and summarised (See 5.6).
- 4.3 No further changes to council tax discounts were proposed.

#### **5. MATTERS CONSIDERED BY TASK & FINISH GROUP**

- 5.1 Collecting council tax from those on low income is proving difficult, with significantly more work for officers. Many of the claimants have also been affected by welfare reform changes, including the spare room subsidy, the benefit cap etc. State benefits are increasing by only 1% and this is likely to continue for future years.
- 5.2 Related significant increases in workload for organisations such as Citizens' Advice Bureau were also been reported.
- 5.3 A detailed Equalities Impact Assessment had previously been completed and considered by Members. This was based on the options originally proposed

for 2014/15 (shown in 4.1). The other options considered in this report affect the Equality groups to a lesser extent.

- 5.4 There had been a significant increase in the number of council tax reminders and court summonses issued in the first half of the year, from April 2013 to September 2013. See Appendix 1. There had been a high additional number of court cases (1,000 additional summonses or a 40% rise) and it was evident from the data that the arrangements had a high impact on the number of recovery notices sent.
- 5.5 There was some concern expressed that if the minimum payment of 8.5% was increased to 20% as previously indicated by the Council, some people who were already struggling to pay may decide not to pay at all. Notwithstanding this, it was noted that although overall council tax collection rates were marginally down in percentage terms, they were better than the budgeted figures.
- 5.6 Having received the facts and figures from the perspective of officers having first hand dealings with those affected by the changes, the group then noted the responses to the consultation held in August and September on the changes proposed for 2014/15. See Appendices 2 and 3.
- 5.7 Given the disappointingly low response rate, it was not felt that any firm conclusions could be drawn from the consultation but there seemed to be a general resistance to a tightening of the Scheme for those affected by it, particularly to the proposed increase to the minimum contribution.
- 5.8 With regard to council tax discounts, at an earlier meeting the group had feedback following a survey of 300 properties which were thought to have been empty for at least eighteen months. The survey revealed that quite a number (129 or 44%) were now occupied as a main residence, 53 (18%) were furnished second homes, and 43 others were undergoing repairs to bring them back into use. The remainder were vacant for a variety of reasons. The statistics revealed that 109 of the 299 properties were actually long-term empty properties. The group felt that efforts should be made to work with the owners to bring these back into use wherever possible, but agreed that the proposed premium of 150% of the council tax was inappropriate in these cases. However, the exercise had revealed the need to review these properties regularly.

## **6. DISCUSSION ON COUNCIL TAX REDUCTION SCHEME FROM 2014/15**

- 6.1 The group considered the four options below:
  - a. To maintain the current scheme for one more year or
  - b. To cap reductions at band D and reduce the savings limit to £6,000 but keep the minimum contribution to 8.5% or
  - c. To cap reductions at band D and reduce the savings limit to £6,000 and increase the minimum contribution to 10% or
  - d. To cap reductions at band D and reduce the savings limit to £6,000 and increase the minimum contribution to 20% as originally proposed.

- 6.2 Members were provided with a comparison table showing amounts payable for single people and couples (both of working age) on various council tax bands, and the amounts payable at 8.5%, 10% and 20%. See Appendix 4.
- 6.3 Option a. above was discounted by the group as it did not show an increasing contribution and option d. was rejected as being counterproductive, for the reasons set out above.
- 6.4 The group noted that option b. would raise additional council tax amounting to approximately £100,000 for all preceptors and option c. would raise additional council tax of approximately £210,000.
- 6.5 Members were mindful of the information provided by officers showing the difficulties of collecting council tax from those on low income with the current minimum contribution. Some Members preferred to have an aspiration of moving towards 20%, depending on future experience with collection rates.
- 6.6 After detailed discussion, the majority of the group preferred option c. above (to cap reductions at band D, reduce the savings limit to £6,000 and increase the minimum contribution to 10% to show an increase in contributions was required). Cllr Chris Harrison asked for it to be noted that he supported option b.
- 6.7 The group agreed that on this basis, a report be prepared making the necessary recommendations to the Corporate Overview and Scrutiny Panel in November and then subsequently to Cabinet and Council in December, subject to the Government making no further changes in terms of transitional grant etc.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 In respect of a financial overview, Members noted that the District Council's budget reductions of £730,000 needed for 2014/15 had largely been achieved, although there remained a £1.7million gap for 2015/16 and a further £600,000 gap for 2016/17.

## **8. PORTFOLIO HOLDER'S COMMENTS**

- 8.1 Firstly, I would like to thank all Members of the Task & Finish group for working together so effectively, with the support of officers, on this difficult task to arrive at the well-balanced recommendations in this report.
- 8.2 I fully support the recommendations which reflect the desire to move forward with appropriate care and consideration to those on low incomes, whilst keeping to our ultimate goal being mindful of government cut backs and the Council's future overall financial position.

## **9. CORPORATE OVERVIEW AND SCRUTINY PANEL'S COMMENTS**

- 9.1 The Corporate Overview and Scrutiny Panel supported the recommendations below.

## 10. RECOMMENDATIONS

- 10.1 If the Government withdraws the transitional grant from April 2014, the present Council Tax Reduction Scheme be revised for 2014/15 in respect of persons who are not pensioners and persons not regarded as vulnerable because paragraph 29(8) does not apply (i.e. persons entitled to certain disability payments), as follows:
- a. An Applicant for the Scheme whose home is in a council tax band higher than band D shall have their entitlement calculated as if their home were in band D
  - b. The capital limit above which there is no entitlement shall be reduced from £16,000 to £6,000. Capital below £6,000 shall be disregarded, and
  - c. The 'relevant percentage' in regulation 29(7) shall be 90%, meaning that the minimum council tax contribution is 10%
  - d. The Scheme document for 2013/14 shall be replaced with Appendix 5 in order to give effect to the above three recommended changes.

### **Important note:**

The Council Tax Reductions Schemes (Default Schemes) (England) Regulations 2012 can be viewed on-line. The Council's locally-determined Scheme comprises of Schedule 1 to these Regulations (as amended by Government from time to time), together with the Scheme document shown at Appendix 5 of this report.

### **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

**Lead Officer:** Glynne Miles the head of service  
Ryan Stevens for administration of the reduction scheme  
Martin Cole for collection and recovery of council tax  
Kevin Green for overall financial implications

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2013/14 Financial Year				2012/13 Financial Year		
		Reminders	Court Summons		Reminders	Court Summons
<b>April</b>	Benefit Cases	1568	0	<b>April</b>	2972	0
	Non-Benefit cases	2756	0			
<b>May</b>	Benefit Cases	1041	0	<b>May</b>	1157	1075
	Non-Benefit cases	990	1042			
<b>June</b>	Benefit Cases	745	525	<b>June</b>	1381	415
	Non-Benefit cases	1202	357			
<b>July</b>	Benefit Cases	562	120	<b>July</b>	1255	89
	Non-Benefit cases	1306	324			
<b>August</b>	Benefit Cases	556	108	<b>August</b>	1111	421
	Non-Benefit cases	950	333			
<b>September</b>	Benefit Cases	435	126	<b>September</b>	1256	287
	Non-Benefit cases	1073	294			
<b>Total</b>	Benefit Cases	4907	879	<b>Total</b>	9132	2287
	Non-Benefit cases	8277	2350			
		<b>13184</b>	<b>3229</b>		<b>9132</b>	<b>2287</b>
<b>Increased Recovery Activity during 2013/14</b>						
	Reminders	4052	44%			
	Court Summons	942	41%			

# Council Tax Reduction Scheme

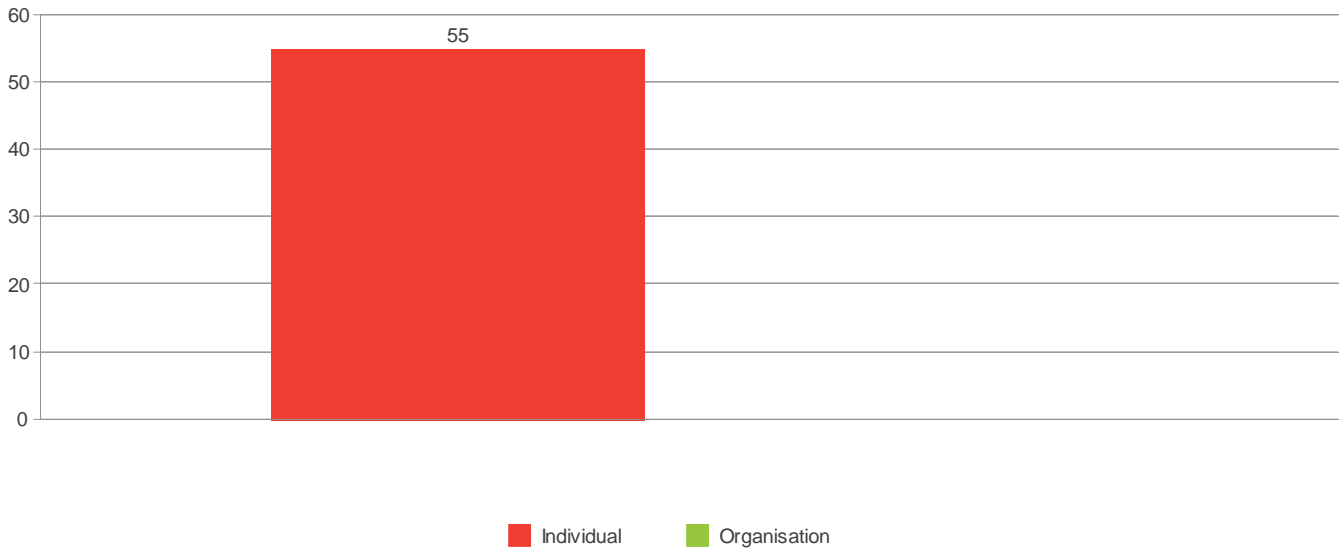
During August and September 2013 New Forest district residents and organisations had an opportunity to shape their future local Council Tax Reduction Scheme. In total there were 56 respondents to the questionnaire which was promoted through social media and local newspapers.

## PUBLIC AWARENESS ACTIVITY

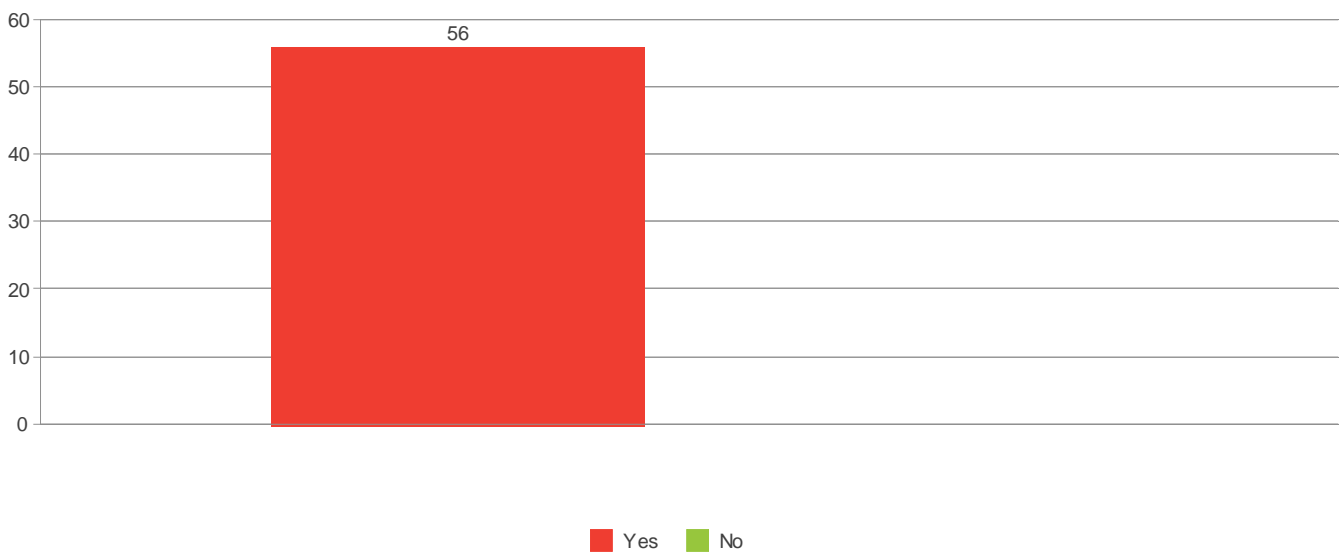


## THE RESULTS

Are you completing this questionnaire as an individual or on behalf of an organisation?

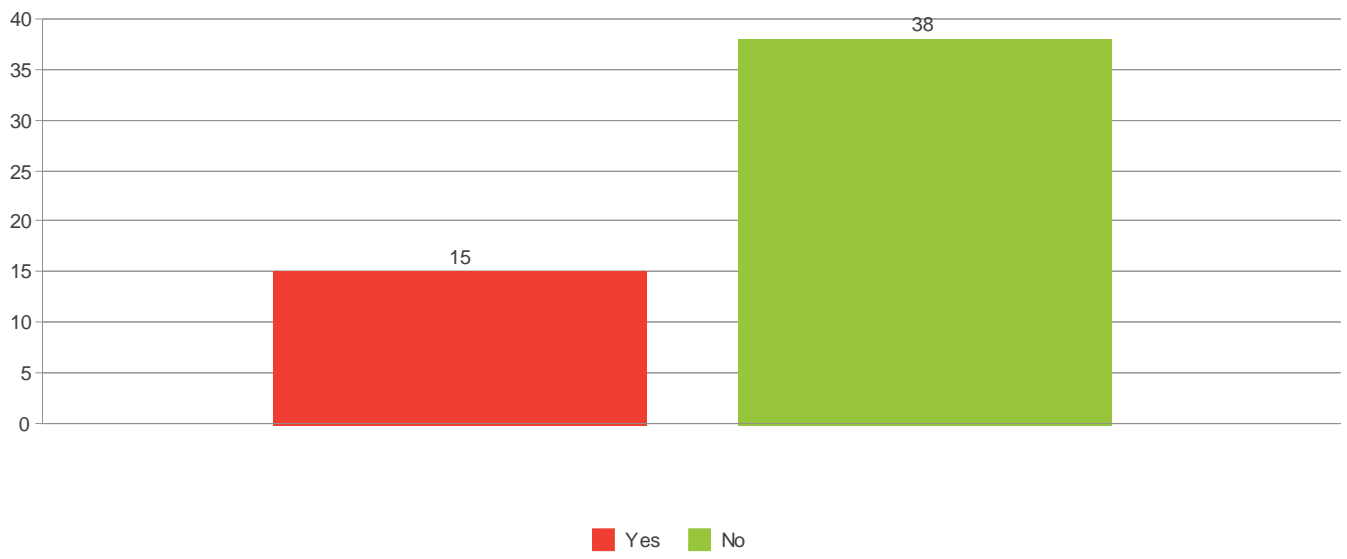


Do you live in the New Forest district?





Do you currently receive 'support' under the Council Tax Reduction scheme?

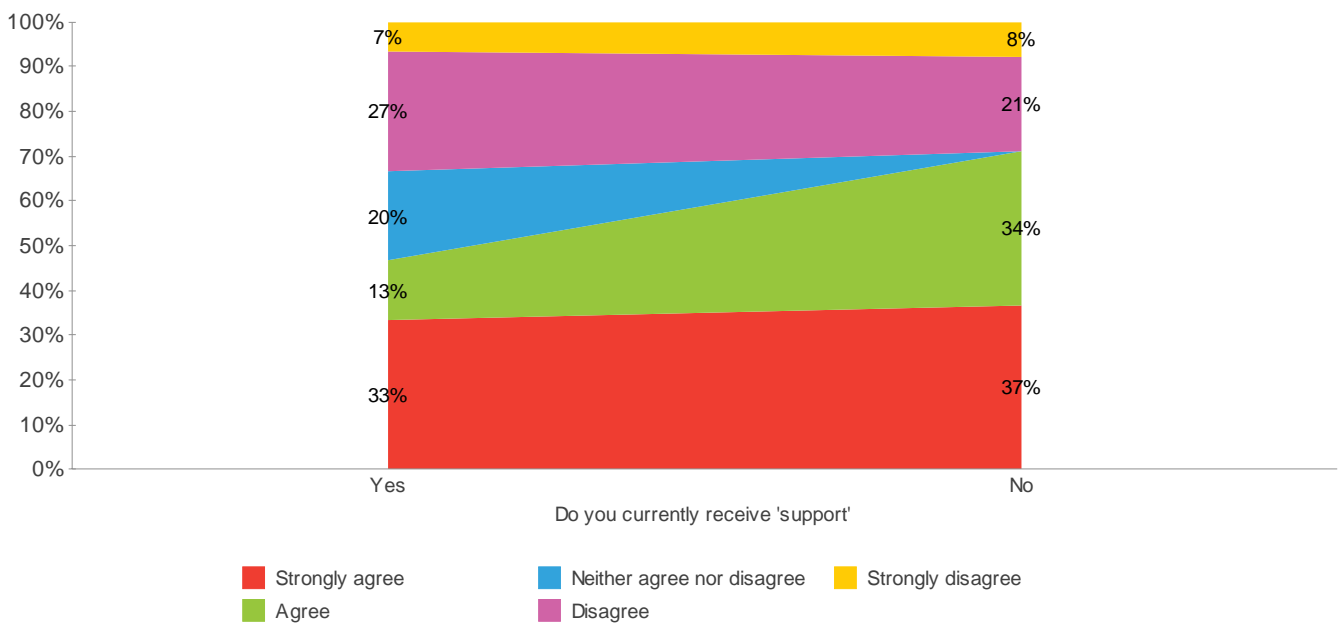


## Do you agree or disagree, that 'support' under the Council Tax Reduction scheme should be changed in the following ways?

### OPTION A

**Current scheme:** 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 reduction.

**Proposed change:** Change this limit from £16,000 to £6,000.



### Please use this space to expand on your answer:

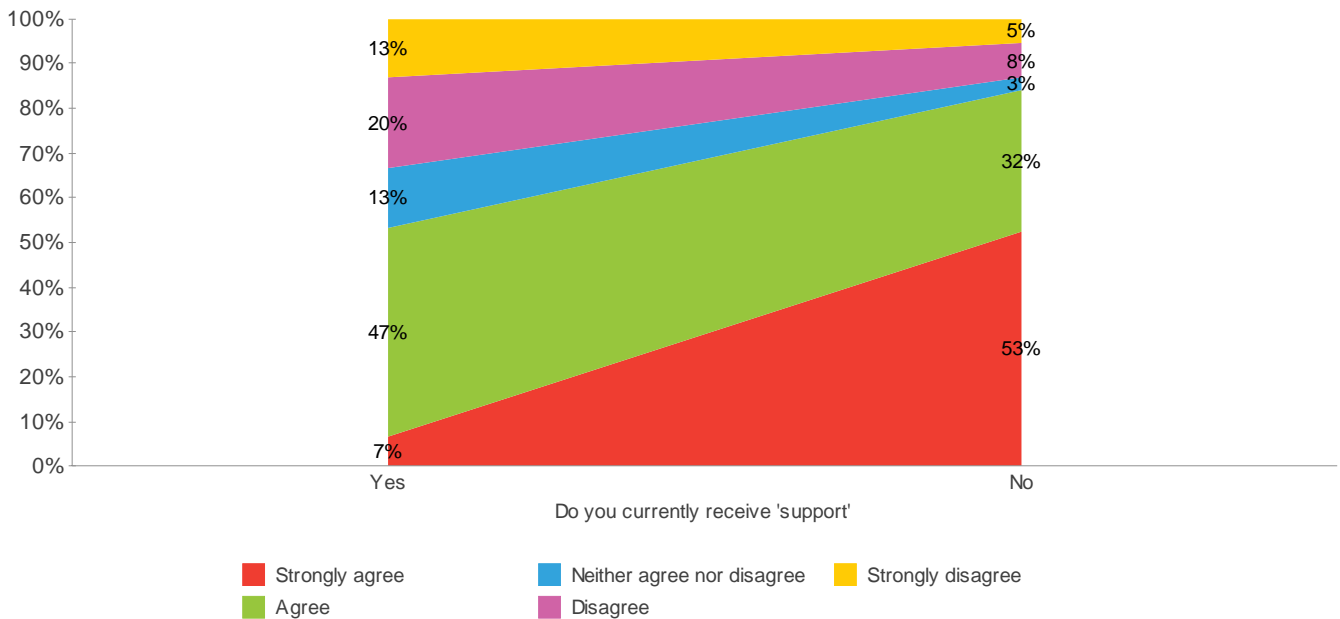
- The problem is that claimants will be tempted to fritter away, give away to relatives, or hide a further £10,000 in order to claim - this punishes those who have saved.
- I have no problem with reducing support for people who can afford to contribute more.
- I think that to cut the savings limit to £6000 is too harsh especially on claimants who are made redundant in their 50's who have already saved money towards their retirement. I would prefer to see a phased reduction e.g. to £10,000 next year, £8000 the following year and then £6000 the year after
- It depends on the capital available. In the current economy it is liquidity that is important. People should be encouraged to keep fixed assets & savings.
- Welfare is for people who need it. If you have capital of £6000, you don't need to be supported by people who have less.
- It's important that individuals have some 'working capital' behind them in case they wish to commence self-employed work or to pay for essential services that are not supported. However it isn't appropriate to have an excessive level of capital 'stashed away' whilst expecting support from the taxpayer.
- I agree but I think there will be an increase of people claiming they are single or not declaring cash in hand money with such a large change to the limit
- People with capital don't need as much help as those who have nothing!

- £6000 is a bit high - can easily wipe out peoples savings making them less likely to be self sufficient in the future. I do agree with a reduction though, maybe nearer £10,000
- Think the limit should be £10,000 so people have enough for emergencies
- The local taxpayer simply cannot afford to give council tax support to people who have over £6,000 capital behind them. There are plenty of people paying taxes and not getting any support at all and who live from week to week or month to month and have nothing at all in the way of savings to fall back on. At least a person who has £6k or more in savings can draw on it to help pay the council tax until such time as their savings fall below the £6k limit.
- If you have savings, I don't see why the taxpayer should support you
- I'm a single working mum of 2 and work 21 hours a week and if I had to pay more council tax it means I will have less money then I have at the moment which I struggle with at the moment so I totally support option A .
- While I agree in principle to this reduction, I feel that this should be subject to assessment on a case by case basis
- Fed up of people who don't work getting something for nothing! If you have £6,000 capital why should you get a council tax reduction? I have worked all my life and do not get any help with anything! And I certainly don't have £6,000! It is all spent on bills!
- I feel people earning over £16,000 are able to contribute towards the council tax.
- Older people have worked and saved hard for their later years the proposed limit is far too low. The retirement pensions take married couples over the £6,000 limit. £10,000 might be more acceptable. Having to dip into their savings even this amount would not last very long.
- I feel that this change will make minimal savings and penalise those who do put something aside for a rainy day.

## OPTION B

**Current scheme:** A claim is worked out based on the property's Council Tax Band ranging from A (lowest) to H (highest). Higher value properties receive more reduction.

**Proposed change:** Limit Council Tax Reduction for properties in Bands E to H to a Band D property. Therefore properties within Bands D to H receive the same level of reduction.



### Please use this space to expand on your answer:

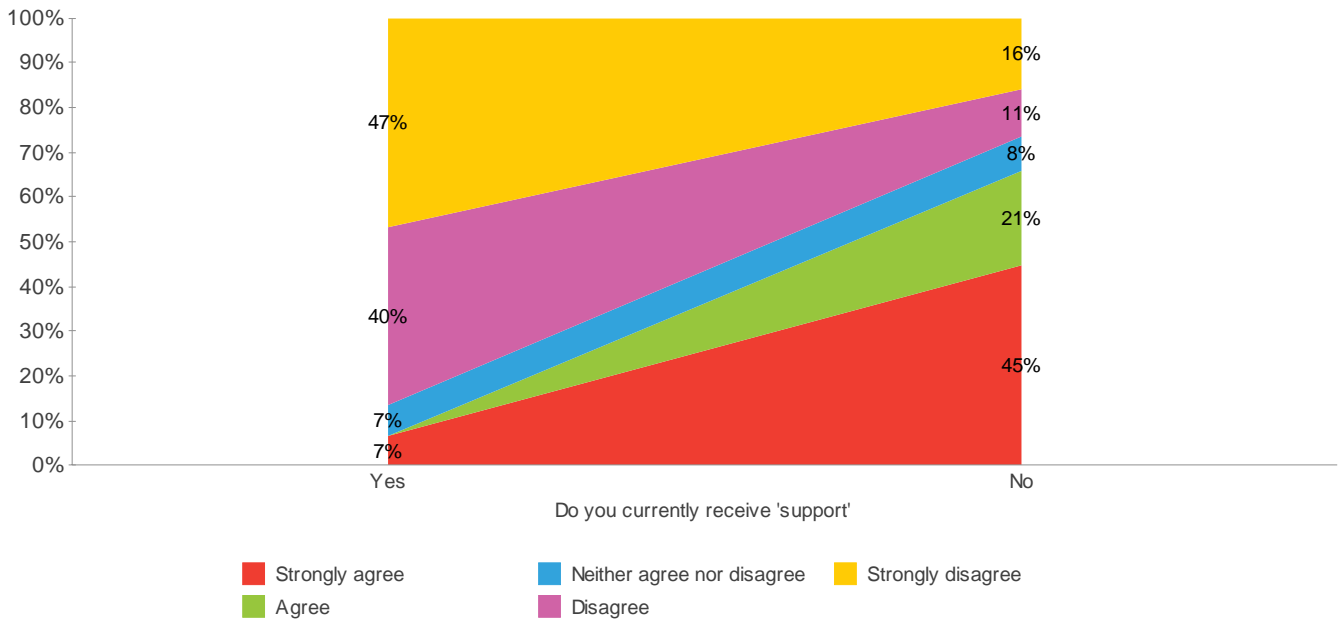
- The problem here is we would be punishing those who had saved and bought a house. ALSO frankly I'm not sure there are many properties below band E round here anyway, so we would actually be punishing those with quite modest houses.
- Not sure on property value levels to be in each banding but without knowing the details I think it is right that only a certain level of support should be available especially if the property is owned by the resident. However I do worry that there may not be enough rental properties available in a certain banding and so people forced to live in band E or above as that is all there is will not receive full support and may end up in debt or homeless as they cannot afford to pay. How will that be addressed? And the Council should care about that.
- Think this should not be a blanket ruling: think cases in the higher brackets should be considered in their entirety otherwise open to abuse
- Whilst it is difficult to argue the case that one should be obliged to move to smaller accommodation, an individual has either a/ made a distinct choice to reside in a higher-banded property or b/ lived there for some time, knowing the higher banding of the property. Individuals generally have a choice and if that choice is a 'nicer' home that attracts a higher banding, it doesn't necessarily correlate that this should be at the taxpayers expense. I do not agree with an immediate change however and believe there should be transitional relief, such as is given to business over a five year period. This would be fairer on the occupant and given adequate time to find alternative accommodation OR amend their finances accordingly.

- If you want to live in one of the bigger and more expensive properties, don't expect people living in smaller less expensive homes to subsidise you!
- All depends on how much the council tax would be for my property.
- This would appear fair bearing in mind the disparity of house values across this district in particular
- Why should you get more of a reduction for living in a better place/area! People should be treated equally regardless of their council tax band. It is your choice if you decide to live somewhere with higher band so why should you get a greater discount?
- I feel if you can afford to live in a house in an h band you can afford the council tax.
- Should be less reduction for higher bands like E - H and there needs to be new banding for properties of 1M and over which have grown in number
- It is harsh but if you have capital in your property then you may need to release this or rent out the more expensive property and rent somewhere smaller until your financial situation improves

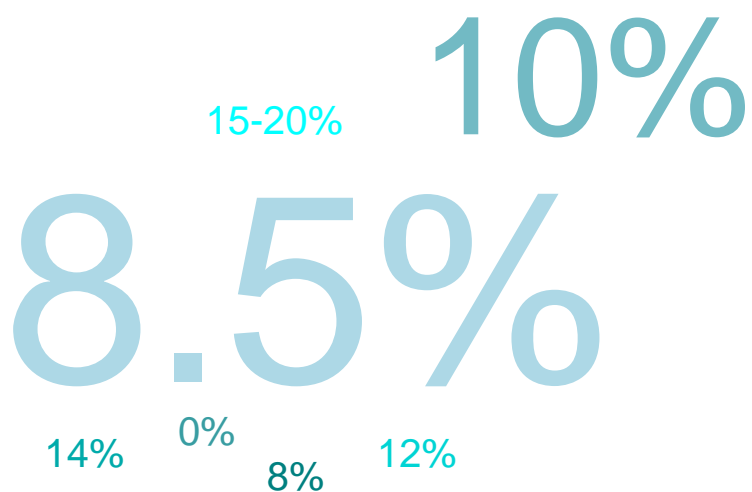
## OPTION C

**Current scheme:** Most working age claimants on low income (except the most vulnerable) pay at least 8.5% of their Council Tax bill.

**Proposed change:** All working age claimants (except the most vulnerable) to pay a minimum of 20% Council Tax.



**If you disagree - what percentage of their Council Tax should they pay (if any):**



- Variable dependent upon income.
- People in receipt of income related JSA, ESA or IS should not pay anything.
- Community needs the Council and we all need to support it but too great a percentage might over burden those on lower incomes.
- If services like the police were safe from being axed. I feel people don't mind paying if they actually SEE the results of their payments as opposed to reading about more and more cutbacks in the media.
- I believe that the amount is relatively fair, but should be capped so that no more than the maximum 100% tax is paid. If, say, there are six working age individuals in a household, the proposal here suggests a 120% contribution. That is unfair.
- Well I'm on income support but cannot really afford to pay anything but do understand that everyone should pay something.
- I am currently unemployed through no fault of my own I think it is very unfair that we have to suffer and pay more.
- This seems a very high percentage and a leap from 8.5% to 20% could find that those who were trying to pay the 8.5% will not bother paying anything knowing they could never afford 20%. In turn reducing collection rate.
- Leave it at 8.5% at least for another year.
- I agree that working aged claimants should pay 20% if they are actually working. However or those that are purely on passported benefits i.e. JSA/IS I think the level should remain at 8.5%
- I have a job for 16hrs per week (due to ill health) I get £99.04 a week out of this I have to pay at least £26.00 to council tax? Is that fair under the new scheme, I disagree.
- The increase from 8.5 to 20 percent is too much I agree that work should pay but people do fall on hard times and if JSA etc is considered to be a minimal amount how can we expect someone to pay 4 or 5 ppe week (approx) towards their council tax? That is about 8 percent of the JSA amount I would prefer that we all pay a little more so that the minimum contribution is capped at 10 percent Central government have been extremely unfair with this and it should never have been localised

**Whether you agree or disagree - please use this space to expand on your answer:**

- Those of us who pay full Council Tax can only afford to subsidise the most needy.
- If people are in work they should be given every opportunity to remain so especially if they are low paid. Any perceived incentive to exist solely on benefits especially for the long term should be robustly challenged. In addition NFDC should be more accountable as to how public money is spent.
- It's a really tough call on where we might save a bit of cash, and this is getting back towards the poll tax fiasco but asking people on a modest income (but not the most vulnerable - which should include all pensioners) to pay 20% - say £1 a day - towards Council Tax seems the least problematic
- 20% of a salary on the poverty line is too much for families with children to find. I am a low paid worker and it galls me to see that pensioners are exempt from this. Why? They have too many benefits in an area that has too many pensioners. ALL Pensioners should contribute, including those on pension credit. They do very nicely at the moment and are amply rewarded for having no savings. I would rather see staff cuts at NFDC and service cuts (particularly for pensioners) rather than paying money we just don't have towards a bloated council that does little to help myself or my family.
- People who are living on income related JSA and ESA or Income Support CANNOT AFFORD to pay towards their council tax. The only way they will pay this bill is to do without heating, hot water and food. That is unacceptable and should not be considered by the Council.
- I think that all working age claimants should make a contribution to council tax, with perhaps a lower band for the very vulnerable.
- What reason is there that the most vulnerable do not pay? Why is money connected to their vulnerability? They should be treated equally

- I am a carer for a disabled family member. Councils must not be allowed to squeeze more money from those vulnerable in our society whilst those with 'capital' have a far easier life because they live in an expensive post code and have access to more money.
- I don't disagree with the proposed change, just the ambiguous wording.
- I argue this because their benefits are already being reduced by central government's actions, the additional money needed should be raised by increasing the level of Council tax levied on Holiday cottages and other under-utilised property in the area
- I agree but think people will struggle with such a high increase and think even 15% would be a high enough
- I am a single mum and do not have enough 'disposable' income to pay 20%
- This will help to integrate people back into working life rather than living on benefits as it is closer a working person's council tax bill.
- It's all very well saying everyone must pay something, just like in the days of the poll tax. But the fact is that these are the poorest people you are talking about and the experience of the poll tax showed that the council simply couldn't get blood out of a stone. 20% of a council tax bill is around £300 per year (£6 a week). Surely, people with an income at support level are not going to be able to manage that level of council tax payment and that will result in an increase in unpaid debts that the council will have to decide how to proceed with.
- Again, fed up of people that don't work getting something for nothing! The more bills they have to pay out of their dole money the better. Time to make them get a job so they can afford to pay their council tax! Why is it just hard working people that have to pay?
- It would be impossible to collect 20% from people on low incomes and would go back to the poll tax days, which was also uncollectable.
- We know we are in hard times but squeezing more from low paid workers and vulnerable people, especially single mothers, is not fair. Compassion needs to be shown and, done.
- Most low income people are already greatly struggling especially if on unemployment, and if they don't have family help (financial) they could be in a bad state, although I appreciate Councils also have to balance books
- Working means contributing across all forms of taxation.



**Please use the space below for any further comments you would like to make:**

- It's a tough question - I think we all have a concept of the deserving poor but how do we target them. Could we save money in any other ways - you didn't give us that choice. Good luck!
- If the council is going to raise money in this way - I think it is high time that there was a change of political leadership for NFDC. I certainly will be voting against the current council leaders at the implementation of this charge on the poor. This is not about everybody contributing - it is about penalising those who have little.
- Regardless of the source of income, we all enjoy the range of services provided via the Council Tax, whether directly or indirectly. There are enough other avenues of support to warrant a greater contribution. It's too easy to say 'go get a job', as the answer isn't that simple. However it does not naturally follow that being in receipt of JSA/ESA or similar means that there should be next to no contribution. Employed individuals are faced with a stark choice of a good social life or smoking or Sky TV or a mobile phone or other recreational activities -VS- paying for their bills in full and on time. Similarly, claimants should not expect to be excluded from making the same stark choices. The welfare system is a safety net where we collectively agree to support our fellow citizens in times of need. That is a good ideology to have and to maintain. The system is not there to support an affluent lifestyle that those on or near minimum wage cannot hope to achieve. This isn't a decision due to tough economic times, this is a decision that will define a future generation who, by no fault of their own, have seen being out of work as an acceptable alternative to gainful employment, where many of the luxuries of modern life are just as attainable, regardless of being unemployed. This attitude needs to change for our collective good and decision such as these, unpalatable as they may be, are the thin end of the wedge to ensure we continue to be able to support one another when we fall on difficult times.
- Those of working age who are currently unemployed are mainly in that position because of national policies. There is little evidence that there are sufficient jobs in the area for the unemployed and it does not seem right to penalise such individuals for failures at the national level.
- I am a single mum on income support I don't have enough 'disposable' income to make up the difference if you increase the percentage I have to pay
- I do appreciate that the unemployed have to pay their way, but 20% is too much and not fair. I have been unemployed for over a year, am 61 this year, and only have my JSA in every 2 weeks. I barely get through the weeks, so if this is increased to 20% I don't know what I will do. Trying to get a job and being age discriminated against is very difficult, I am doing my best and applying for so many positions but not getting any interviews because I am old now.
- Whilst I agree with the concept of everyone should pay something, we have to be realistic on what people truly can afford.

**Hampshire County Council  
Hampshire Fire and Rescue Authority  
Office of the Police and Crime Commissioner for Hampshire**

**Response to New Forest District Council's consultation on potential council tax support scheme changes**

Thank you for asking for our comments regarding a potential redesign of the council tax support scheme for the New Forest District Council area.

We believe that billing authorities should set their council tax support schemes in a manner which has no negative financial consequences for precepting authorities. Therefore, the funding gap created by the Government cut when council tax support was localised needs to be closed. The widening of the funding gap from 2014/15 due to the withdrawal of the Government's transitional grant scheme for council tax support also needs to be dealt with. The funding gap could be removed directly through the design of the scheme. Alternatively or in addition to this, other methods could be used such as flexibility over council tax discounts.

In the interests of fairness, we continue to feel that it would be helpful for Hampshire's billing authorities to consider having the same core elements in their schemes. This would help prevent a "post code lottery" that resulted in people with identical circumstances being treated inconsistently because they lived in different parts of the Hampshire area.

If any changes to the council tax support scheme are made, it is important that they do not have a detrimental impact on vulnerable groups. Therefore, a full Equality Impact Assessment needs to be carried out if it is decided to progress with making any alterations to the scheme.

As the potential redesign of New Forest District Council's council tax support scheme is currently at an early stage, we would be grateful if you could keep us informed of further developments. We reserve the right to make further representations about the design of the scheme as it develops, so would like to continue to be treated as key stakeholders during the further stages of the consultation.

Couple - Income Support level is £112.55pw										
Band		91.5% max ent	Current amount to pay	Current amount Per week	90%	Amount to pay	Per week	80% max ent	Amount to pay	Per week
A	978	894.87	83.13	<b>1.60</b>	880.20	97.80	<b>1.88</b>	782.4	195.6	<b>3.76</b>
B	1141.00	1044.02	96.98	<b>1.87</b>	1026.90	114.10	<b>2.19</b>	912.80	228.20	<b>4.39</b>
C	1306	1194.99	111.01	<b>2.13</b>	1175.40	130.60	<b>2.51</b>	1044.80	261.20	<b>5.02</b>
Single claimant - Income Support level is £71.70pw										
Band		91.5% max ent	Current amount to pay	Current amount Per week	90%	Amount to pay	Per week	80% max ent	Amount to pay	Per week
A	733.50	671.15	62.35	<b>1.20</b>	660.15	73.35	<b>1.41</b>	586.80	146.70	<b>2.82</b>
B	856.00	783.24	72.76	<b>1.40</b>	770.40	85.60	<b>1.65</b>	684.80	171.20	<b>3.29</b>
C	980.00	896.70	83.30	<b>1.60</b>	882.00	98.00	<b>1.88</b>	784.00	196.00	<b>3.77</b>

**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		<p><b>Commencement</b> The first financial year to which this Scheme relates is the year beginning with 1 April <b>2014</b>.</p>	
3	<p>(1).....</p> <p>(2).....</p> <p>(3) (a).</p> <p>(b).</p>	<p><b>The Scheme</b> 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.</p> <p>Subject to subparagraph (3) the Scheme comprises the Scheme Schedule.</p> <p>A matter referred to in paragraph 4 of the Scheme shall be excluded from the Scheme Schedule.</p> <p>A matter referred to in paragraph 5 of the Scheme shall modify the Scheme Schedule accordingly.</p>	<p>LGFA 1992 Sch 1A SI 2012 No. 2886 SI 2012 No. 3085</p>
4		<p><b>Matters prescribed in the Scheme Schedule which are excluded from the Scheme</b></p> <p>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.</p>	
5	(1)....	<p><b>Matters prescribed in the Scheme Schedule which are modified in the Scheme</b></p> <p>For paragraph 23, part 5 of the Scheme Schedule there shall be substituted:</p> <p><i>“Class of person excluded from this scheme: capital limit</i> 23.—(1) <i>The classes of person described in this paragraph consist of</i>  <p>(a) <i>any person who is a pensioner and whose capital exceeds £16,000,</i></p> <p>(b) <i>a person to whom paragraph 29(8) of part 5 of the Scheme Schedule applies and whose capital exceeds £16,000,</i></p> <p>(c) <i>a person who is not a pensioner and whose capital exceeds £6,000.</i></p> <p>(2) <i>Capital for the purposes of sub-paragraph (1) is to be calculated in accordance with Part 10 of this scheme.”.</i></p> </p>	

(2)... For paragraph 29 Part 7 of the Scheme Schedule there shall be substituted:

***“Maximum council tax reduction amount under this scheme: pensioners and persons who are not pensioners***

**29.—**(1) Subject to sub-paragraphs (2) to (4), a person’s maximum council tax reduction amount in respect of a day is the relevant percentage of the amount A/B where—

(a) A is the appropriate amount, and

(b) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non dependent deductions: pensioners and persons who are not pensioners).

(2) In calculating a person’s maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.

(3) Subject to sub-paragraph (4), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons, in determining the maximum council tax reduction in his case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

(4) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, sub-paragraph (3) does not apply in his case.

(5) The reference in sub-paragraph (3) to a person with whom an applicant is jointly and severally liable for council tax, where the applicant is a person who is not a pensioner, does not include a student to whom paragraph 75(1) (entitlement of students to a reduction under this scheme) applies.

(6) In this paragraph “relevant financial year” means, in relation to any particular day, the financial year within which the day in question falls.

(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 subparagraph (8) applies, or

(c) 90%

(8) This subparagraph applies to a person who is entitled to a

(a) Disability Living Allowance,

(b) Severe Disablement Allowance, or

(c) Personal Independence Payment.

		<p><i>(9) In this paragraph, the appropriate amount is the lower of</i></p> <p><i>(a) the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and</i></p> <p><i>(b) except where subparagraph (7)(a) or (7)(b) applies, the amount which would be the amount in subparagraph (9)(a) if the council tax for his dwelling were calculated as if it were in council tax band D and the reduction mentioned in subparagraph (2) were calculated accordingly.”.</i></p> <p>(3).... Paragraph 72, Part 10 of the Scheme Schedule (Calculation of tariff income from capital: persons who are not pensioners) is deleted.</p> <p>(4).... 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”.</p> <p>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”.</p> <p>(5).... In schedule 7 of the Scheme Schedule clauses (8) to (11) of the Regulations for “£5”, “£10” and “£20” shall be substituted “£25”.</p>	
		<p style="text-align: right;"><b>Key to abbreviations:</b></p> <p style="text-align: right;">Local Government Finance Act 1992 Local Government Finance Act 2012</p> <p style="text-align: center;">The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012</p>	<p><i>LGFA 1992</i> <i>LGFA 2012</i> <i>SI 2012 No. 2886</i> <i>SI2012 NO. 3085</i></p>

*Explanatory Note*

*For the year 2014-15 commencing 1 April 2014, the Scheme comprises the schedule to The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, except in these key aspects:*

- For a person who is not entitled to certain disability payments and who has not reached pension credit age, there is a capital limit of £6,000 above which there is no entitlement to council tax reduction under this Scheme. This is a reduction from £16,000. Pensioners and those entitled to certain disability payments are unaffected by this reduced capital limit.*
- Where a person's home has a council tax band higher than band D, the maximum council tax reduction is calculated as if the home were in council tax band D.*
- The maximum council tax reduction under this Scheme for a person who is not entitled to certain disability payments and who has not reached pension credit age is changed from 92.5% to 90% (and is calculated after the council tax band-D restriction, if applicable). Pensioners and those entitled to certain disability payments are unaffected by this.*
- Alternative Maximum Council Tax Reduction (commonly called "Second Adult Rebate") is not available for applicants who have not reached pension credit age,*
- 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 earnings to be disregarded for an applicant who has not reached pension credit age is £25 for single applicants and for couples, rather than £5 and £10 respectively, in order to support incentives to work.*

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

Dated: 2014