

## APPENDIX A

<b>Name:</b>	<b>Leicestershire &amp; Rutland Council Tax Support Scheme</b>
<b>Date:</b>	<b>2 October 2012</b>
<b>Author:</b>	<b>Leicestershire and Rutland Welfare Practitioners Group</b>
<b>Release/Version</b>	<b>Draft V3.2</b>

### Approvals:

This document forms part of the Leicestershire and Rutland Council Tax Support Scheme. Please note this scheme does not include Leicester City Council. The following people are points of contact for the scheme and are the point of contact for the approval of the scheme within each authority.

<b>Name</b>	<b>Authority</b>
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Leigh Butler	Hinckley & Bosworth BC, Harborough DC and North West Leicester DC
Jason Firth	Leicestershire County Council
Andrea Grinney	Rutland County Council
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### Distribution

This document has been distributed to:

<b>Name</b>	<b>Title</b>	<b>Date</b>	<b>Version</b>
LALAT	Chief Accountants group	08-08-12	V2.0
WRPG	Welfare Reform Practitioners Group	15-08-12	V3.0

### Revision History

<b>Version</b>	<b>Date</b>	<b>Summary of Changes</b>
1.0	August 2012	Draft Policy by D Nowlan
2.0	September 2012	Updated version by D Nowlan, A Grinney and M Bowen circulated to WPG
3.0	October 2012	Comments added from D Platts and L Butler
3.1	2 October 2012	WPG policy design team, D Nowlan, M Bowen, D West, J Aimson, S Short.
3.2	2 November 2012	Advice from CIPFA

## Melton Borough Council

### COUNCIL TAX SUPPORT SCHEME

#### Introductory Notes

The Council, in accordance with Section 13A of the Local Government Finance Act 1992 (c. 14), substituted by section 9 of the Local Government Finance Act 2012, requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of Council Tax payable by persons, or classes or persons, whom the authority considers are in financial need. This scheme, entitled the Council Tax Support Scheme (the scheme) complies with that requirement. Assistance under said scheme shall be referred to as Council Tax Support (CTS). The Council is under a further duty to comply with all the requirements set out in the Council Tax Reductions Schemes (Prescribed Requirements) Regulations and any other provisions prescribed by law.

#### 1) Introduction

- a) Government legislation has abolished Council Tax Benefit (CTB) from 1 April 2013. Accordingly, all Councils are required to implement new arrangements to replace CTB. The new scheme is called the Council Tax Support Scheme (the scheme). This change is part of a wider set of welfare reforms currently being implemented and the scheme is intended to work closely within the framework of national welfare reform.
- b) The authorities below in 1 b (i) to 1 b (vii) have cooperated and shared best practice to develop the Scheme.
  - i) Blaby District Council
  - ii) Charnwood Borough Council
  - iii) Harborough District Council
  - iv) Hinckley and Bosworth Borough Council
  - v) Leicestershire Combined Fire Authority
  - vi) Leicestershire County Council
  - vii) Leicestershire Police Authority
  - viii) Melton Borough Council
  - ix) North West Leicestershire District Council
  - x) Oadby and Wigston Borough Council
  - xi) Rutland Unitary
- c) The authorities have devised and agreed this shared scheme to allow each Council to tailor its scheme locally to suit its community needs, while ensuring the scheme is effective, affordable and seeks to protect the vulnerable.
- d) The Government has determined that pensioners should be protected from the impacts of these reforms and has developed a prescribed scheme to ensure that pensioners are not adversely affected by these reforms. This scheme fully complies with the prescribed requirements.
- e) The Government has further provided a default scheme that will be applied to all Councils where that Council has not implemented its own CTS scheme by 31 January 2013. The provisions of the default scheme are such that it broadly prescribes to the requirements of the existing CTB scheme and would deliver similar outcomes for recipients. Whilst this would ensure that the impacts of the changes were minimised it would also mean that the Council and its preceptors would have suffered a loss in income equal to the cut in the Government grant in excess of 10% of prior CTB expenditure.

## 2) Aims

- a) The Council intends where possible to ensure that the scheme will operate in a consistent manner across Leicestershire and Rutland but will permit variation according to local needs and funding arrangements. In doing so the scheme ensures that:
  - i) Residents moving between authorities do not experience significant variations in the available assistance;
  - ii) Vulnerable persons are protected; and
  - iii) Work is incentivised.

## 3) Administration of the Scheme

- a) ***Administration of the scheme is set out in the Prescribed and Default Regulations. Unless specified otherwise, the scheme will be operated in full compliance with these regulations.***
- b) The scheme will include the regular monitoring of expenditure which will include reporting to:
  - i) The Councils 151 officer;
  - ii) The Councils management team;
  - iii) The precepting authorities.
- c) The Council may administer Housing Benefit (HB), other welfare payments and discretionary payments alongside the administration of the scheme.
- d) Personal data obtained by the Council for any lawful purpose may be used in the assessment and management of CTS entitlements.
- e) Personal data obtained by the Council for the purposes of processing or managing CTS and the scheme may be shared in relation to Housing Benefit, Discretionary Housing Payments or any other fund administered under section 13A of the Local Government Finance Act.
- f) Personal data obtained by the Council for the purposes of processing or managing CTS and the scheme may be shared with any other body where:
  - i) The data subject (or their representative) provides formal consent;
  - ii) It is in the beneficial interest of the data subject to do so;
  - iii) To prevent fraud;
  - iv) The law permits sharing of the data, (for example to prevent or detect a crime).
- g) Persons in receipt of CTS shall be deemed to be in receipt of a means tested entitlement for the purposes of any Council policy where entitlement under that policy was linked to the receipt of CTB.

## 4) Legislative Framework

- a) The following legislation and regulations are relevant to this scheme.
  - i) Local Government Finance Act 2012 – referred to as the ‘Act’
  - ii) Child Poverty Act 2010
  - iii) Equality Act 2010 (incorporating the Disabled Persons Act 1986)

- iv) Housing Act 1996
- v) Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012 No.2885)– referred to as the ‘Prescribed Scheme’
- vi) Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 SI 2012 No.2886 – referred to as the ‘Default Scheme’
- vii) Housing Benefit Regulations 2006
- viii) Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006
- ix) Council Tax Benefit Regulations 2006 – referred to as the ‘CTB scheme’
- x) Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 – referred to as the ‘CTB pensioner scheme’
- xi) Housing and Council Tax Benefit (Decisions and Appeals) Regulations 2001 – referred to as the ‘Appeal Regulations’
- xii) Social Security Act 1992
- xiii) Local Government Finance Act 1992 and all subsequent legislation deriving from this Act.

## **5) Savings Provision**

- a) Designing and writing the scheme is inherently complicated and there is a significant risk of omission and error that could lead to significant unintended consequences for both CTS recipients and Council finances. To mitigate and reduce these risks the Council adopts all regulations, provisions and schedules in the default scheme except where these are amended, deleted, supplemented or other provisions are made in this scheme. Furthermore, the Council will:
  - i) Maintain a schedule of the amendments made under paragraph 5a;
  - ii) Publish the scheme including any amendments on its website.

## **6) Scheme Amendments**

- a) Amendments to the scheme must be made and agreed at Full Council before the 31 January in any year to apply from the following 1 April.
- b) Any changes made under paragraph 6a may be applied from any date from 1 April or a later date as approved by the Council.
- c) Where significant changes to the scheme are being considered public consultation will take place for a period of not less than 8 weeks. Significant changes include any change which will adversely impact on more than 20% of current CTS recipients.
- d) Full Council may make minor alterations and amendments to this scheme at any time to correct errors or omissions but may not make substantive changes unless the provisions of paragraph 6a are applied.
- e) Minor amendments made under paragraph 6d must sit within the stated scheme intention and may be applied from the date of the Full Council decision.
- f) Minor amendments under paragraph 6d include but are not limited to cases where alterations are needed to the scheme to comply with the findings of the Local Government Ombudsman or the Valuation Tribunal or a court of appeal.
- g) The Council may retrospectively approve and apply amendments to this scheme when:

- i) Required to by legislation;
- ii) Instructed to do so by a high court or court of appeal;
- iii) Instructed to do so by the Local Government Ombudsman;
- iv) Required to comply with case law; or
- v) To correct errors or omissions.

## **7) Review and Appeals of Decision(s)**

- a) The Council will accept the decisions of the Valuation Tribunal (VT) in respect of appeals but reserves the right to protect its legal interests in cases where the decision of the VT is considered unreasonable or perverse. In such cases the Council reserves the right to stay any decision of the VT but only in cases where the Council is seeking appeal to a higher body or court and such action has been approved by the Council's solicitor.

## **8) Explanatory Note**

- a) The appendices that follow are provided with the following summary scheme intentions. To make provision for:
  - i) The reduction in maximum liability that can be awarded below 100%;
  - ii) The restriction of maximum liability by Council Tax band;
  - iii) The setting of taper levels at any rate;
  - iv) The removal of the Alternative Maximum Council Tax Reduction Scheme in respect of non pensioners;
  - v) The setting of non dependant deductions in respect of non pensioners at rates other than defined in the default scheme;
  - vi) The inclusion of additional provisions required to ensure continuity in the treatment of War Pensions and War Widows Pensions for pensioners and non pensioners;
  - vii) Allowing variations to capital limits, the treatment of capital and the calculation of tariff incomes in respect of non pensioners;
  - viii) Amendments to the rates of earned and unearned income disregards for working age claimants;
  - ix) Amendments to the rates of applicable amounts for working age claimants;
  - x) Amendment or removal of the extended payment scheme for working age claimants;
  - xi) Amendment to other rules to limit backdating or temporary absence for working age claimants.

## **Schedule of Scheme Amendments**

The following appendices provide for the changes to the default scheme approved by Full Council. In all cases amendments include the date when this amendment was approved and the date from which the amendment will be effective from.

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## Appendix A – Calculation Parameters

Amendment	<b>Maximum Reduction</b>	
Approved	<b>12 December 2012</b>	Applicable From <b>1 April 2013</b>
Regulation	<b>29 – Amendment</b>	
Description	<b>Setting of the Maximum Council Tax reduction under this scheme (pensioners only)</b>	

In the introduction to this regulation amend from:

**'Maximum Council Tax reduction under this scheme: pensioners and persons who are not pensioners'**

Amend to:

**'Maximum Council Tax reduction under this scheme: pensioners'**

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Amendment	<b>Maximum Reduction</b>	
Approved	<b>12 December 2012</b>	Applicable From <b>1 April 2013</b>
Regulation	<b>NEW 29A – New Regulation</b>	
Description	<b>Setting of the Maximum Council Tax reduction under this scheme (non pensioners only).</b>	

Maximum Council Tax reduction under this scheme: persons who are not pensioners

- 1 Subject to paragraph (2) to (6), the amount of a person's maximum Council Tax reduction in respect of a day is **91.5%** of the amount A/B where
  - a A is 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
  - 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-dependant deductions: pensioners and persons who are not pensioners);



Amendment **Class E: Persons who are not pensioners whose income is greater than the applicable amount**

Approved **12 December 2012** Applicable From **1 April 2013**

Regulation **17 – Amendment**

Description **Setting of the taper (non pensioners only)**

f(ii) Amount B is **2 6/7** per cent of the difference between his income for the relevant week and his applicable amount,

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## **Appendix B – Alternative Maximum Council Tax Reduction (Second Adult Rebate)**

Amendment      **Class F: Alternative maximum Council Tax reduction – persons who  
are not pensioners**

Approved        **12 December 2012**                      Applicable From   **1 April 2013**

Regulation      **18 – Deleted**

Description     **Removal of Second Adult Rebate Scheme (non pensioners only)**

Regulation 18 - Deleted

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Amendment **Alternative maximum Council Tax reduction under this scheme:  
pensioners and person who are not pensioners**

Approved **12 December 2012** Applicable From **1 April 2013**

Regulation **31 – Amended**

Description **Retained for pensioners only**

In the introduction to this regulation amend from:

‘Alternative maximum Council Tax reduction under this scheme: pensioners and persons  
who are not pensioners’

Amend to:

‘Alternative maximum Council Tax reduction under this scheme: pensioners’

Amendment **Duty to notify changes of circumstances**

Approved **12 December 2012** Applicable From **1 April 2013**

Regulation **Regulation 113**

Description **Requirement to report changes (non pensioners only)**

In paragraph 6b amend from

‘In the case of a person falling within class F...’

Amend to

‘Deleted’

Amendment      **Amount of reduction under this scheme: Classes A to F**

Approved        **12 December 2012**                      Applicable From   **1 April 2013**

Regulation      **Regulation 32**

Description     **Amendment to regulation to remove mention of class F**

In the title amend

**Amount of reduction under this scheme: Classes A to F**

To read

**Amount of reduction under this scheme: Classes A to E**

In regulation (4) amend

(4) Where the person is within class C or F, that amount is the amount which is the alternative maximum Council Tax reduction in respect of the day in the applicant's case.

To read

(4) Where the person is within class C, that amount is the amount which is the alternative maximum Council Tax reduction in respect of the day in the applicant's case.

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## Appendix C - Non Dependant Deductions

Amendment      **Non dependant deductions: pensioners and persons who are not pensioners**

Approved        **12 December 2012**                      Applicable From   **1 April 2013**

Regulation      **30**

Description     **Removal of non pension age**

In the introduction to this regulation amend from:

'Non dependant deductions: pensioners and persons who are not pensioners'

Amend to:

'Non dependant deductions: pensioners'

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Amendment **Non dependant deductions: pensioners and persons who are not pensioners**

Approved **12 December 2012** Applicable From **1 April 2013**

Regulation **29A – New**

Description **Amendment to non dependant rates (non pensioners only)**

Non-dependant deductions: persons who are not pensioners

- 1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 28 are—
  - a in respect of a non-dependant aged 18 or over in remunerative work, **[£9.90]** x 1/7;
  - b in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, **[£3.30 x 1/7]**.
- 2 In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—
  - a less than **[£183.00]**, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);
  - b not less than **[£183.00]** but less than **[£316.00]**, the deduction to be made under this paragraph is **[£6.55]**;
  - c not less than **[£316.00]** but less than **[£39400]**, the deduction to be made under this paragraph is **[£8.25]**.

For subsection (3) to (9) (c) refer to regulation 30.

## **Appendix D - War Pension and War Widow's Pension Additional Disregard Scheme**

Amendment	<b>Amounts to be disregarded in the calculation of income other than earnings: pensioners</b>	
Approved	<b>12 December 2012</b>	Applicable From <b>1 April 2013</b>
Regulation	<b>Schedule 6</b>	
Description	<b>Disregarded in full of War Pension and War Widows Pension (pensioners)</b>	

After paragraph 1(g) insert:

- 1A In determining the claimant's and partner's income the Council may further disregard the whole or any part of any War Disablement Pension or War Widow's Pension payable not disregarded in Section 1.

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Amendment **Sums disregarded in the calculation of income other than earnings:  
persons who are not pensioners**

Approved **12 December 2012** Applicable From **1 April 2013**

Regulation **Schedule 8**

Description **Disregarded in full of War Pension and War Widows (non pensioners)**

After paragraph 20(g) insert:

20A In determining the claimant's and partner's income the Council may further disregard the whole or any part of any War Disablement Pension or War Widow's Pension payable not disregarded in Section 20.

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## **Appendix E - Capital Limits and Tariffs**

Amendment	<b>Class of person excluded from this scheme: capital limit (pensioners)</b>	
Approved	<b>12 December 2012</b>	Applicable From <b>1 April 2013</b>
Regulation	<b>23</b>	
Description	<b>Retained but applied to pensioners only</b>	

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Amendment	<b>Class of person excluded from this scheme: capital limit (non pensioners)</b>	
Approved	<b>20 November 2012</b>	Applicable From <b>1 April 2013</b>
Regulation	<b>NEW - 23B</b>	
Description	<b>Revised capital limit for non pensioners only</b>	

**22B.** The class of person described in this paragraph consists of any person whose capital exceeds **£16,000**.

In regulation 54

- 1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with Chapter 7 of this Part exceeds **£16,000**, be treated as income.

In regulation 70

- 1 Where the capital of an applicant who is not a pensioner calculated in accordance with this Part exceeds **£6,000**, it must be treated as equivalent to a weekly income of **£1** for each complete **£250** in excess of **£6,000** but not exceeding **£16,000**.
- 2 Notwithstanding sub-paragraph (1) where any part of the excess is not a complete **£250** that part must be treated as equivalent to a weekly tariff income of **£1**.

## Appendix F – Other Changes

Amendment      **Capital Disregards**

Approved        **12 December 2012**

Applicable From    **1 April 2013**

Regulation      **Schedule 10**

Description      **Disregard of non pensioner capital**

In paragraph 49 amend from

‘(1) Subject to sub-paragraph (2), where an applicant falls within class F...’

Amend to ‘Deleted’

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Amendment **Periods of absence from a dwelling**  
Approved **12 December 2012** Applicable From **1 April 2013**  
Regulation **Regulation 19**  
Description **Retained for pensioners only**

Amendment **Periods of absence from a dwelling**  
Approved **12 December 2012** Applicable From **1 April 2013**  
Regulation **NEW - Regulation 19A**  
Description **For working age claimants (temporary absence rule amendments)**

(2) In sub-paragraph (1), a “period of temporary absence” means—  
(a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as—  
(i) the person resides in that accommodation;  
(ii) the part of the dwelling in which he usually resided is not let or sub-let; and  
(iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks, where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;  
(b) a period of absence not exceeding **[13]** weeks, beginning with the first whole day of absence from the dwelling, where and for so long as—  
(i) the person intends to return to the dwelling;  
(ii) the part of the dwelling in which he usually resided is not let or sub-let; and  
(iii) that period is unlikely to exceed 13 weeks; and  
(iv) the person has not been absent for more than 2 occasions in the previous 52 weeks, starting from the first day of the current temporary absence period.