

Proposed schemes: Law and Legal Context

The scheme explained here is proposed as the Council's Council Tax Support (CTS) scheme to apply from April 2013. The CTS scheme is proposed, and will be finalised subject to the Council's duties for local welfare support under provisions including:

- The Welfare Reform Act 2012;
- The Localism Act 2011;
- The Equalities Act 2010;
- The Local Government Finance Bill; and
- Regulations laid under the appropriate provisions and governing the administration, design and implementation of CTS, including the proposed Council Tax Reduction Schemes (Prescribed Requirements) Regulations.

Overall provisions: Universal Credit

From October 2013, the national implementation of Universal Credit begins. The Council's approach to CTS may include provisions which are designed to deliver consistency with national schemes of welfare benefit including Universal Credit. The provisions which the Council may include within the CTS in this regard include, but are not limited to:

- the basis under which entitlement to Universal Credit is treated as a valid claim for CTS in accordance with the Council's scheme;
- the treatment of Universal Credit as income within the Council's scheme; and
- the means by which the Council sends and receives information in relation to successful claims for Universal Credit, and the basis on which that exchange of information is treated as valid for the purposes of the Council's scheme.

The CTS Scheme: Maximum Entitlement

The Council proposes that the CTS will be a means-tested discount calculated within the framework of means testing provided by the Council Tax Benefit system. Unless otherwise provided for by the Council's scheme, or by the provisions above including the Local Government Finance Act, the rules which apply under the Council Tax Benefit calculation apply for the Council's administration and calculation of CTS, including but not limited to the eligible person; the time and manner of claim; the calculation and determination of income; the calculation and determination of capital; non-dependant deductions; extended payment of benefit; benefit periods; treatment of passported claims; the value and application of tapers; the value and application of premiums; the calculation and recovery of overpayments; the management and administration of fraud and error; the management and administration of Subsidy and reporting; and other matters under the calculation determination and payment and recovery of Council Tax Benefit.

The Council proposes that the CTS scheme may apply a maximum eligible amount of Council Tax at between 75 and 90 % of total Council Tax. The Council proposes that the maximum amount of eligible Council Tax under the scheme may apply to all applicants for CTS

The maximum amount of Council Tax which may be awarded under the CTS may be limited in one or more of the following ways:

1. That the maximum amount of Council Tax which is eligible for CTS and which may be the maximum award under the Council's CTS scheme may be set between 75-90%
2. That the maximum amount of Council Tax which is eligible for CTS and which may be the maximum award under the Council's CTS scheme may be restricted to the amount of Council Tax due for the year under the Council's determinations under the Local Government Finance Act 1992 and may be set at Band D of the Council's Tax calculations.

The CTS Scheme: Other Determining Factors

Below is a list of some of the other contributory factors (not an exhaustive list) which may affect CTS entitlement.

1. The amount of capital held: the scheme may make provision for those holding capital to be ineligible to receive CTS, and may determine that limit at a lower rate than the current limit of £16,000;
2. The application of the taper: the scheme may make provision for the application of a different taper, above the current taper which is applicable for income above the minimum amount, and which is currently applied at 20%;
3. The amount payable in respect of non-dependant deductions: the scheme may make provision for the application of different non-dependant deductions, applicable for other adults living at the property;
4. Second Adult Rebate: the scheme may make provision for the removal of Second Adult Rebate.

Vulnerable People

The Council proposes that the scheme will operate a discretionary fund to provide additional support for the most vulnerable members of society. The discretionary fund policy will determine who may be either fully or partially protected from the costs of the Council's CTS scheme. The Council's determination of "Vulnerable People" may include people with disabilities; people with responsibilities as carers for disabled or elderly people; people with responsibility for young children; people facing the risk of homelessness; or people for whom the Council has a duty under the Armed Forces Covenant.

The Council's scheme will provide the rules by which people are to be considered within this paragraph, which may include their qualification for identified benefits; their situation; their qualification for compensation payments; or otherwise under the Council's CTS scheme.

Appendix 1: Approach To Modelling and Costings

The Council's scheme design summarised within this paper is underpinned by detailed costing, research, analysis and modelling which remains ongoing while the determination of the rules to be followed by the Government is completed. The Council has calculated that the scheme described may be capable of delivering the savings required in 2013/14 based on the indicative funding figures provided by central government.

There are two key variables which the Council will model within the final scheme design, and following consultation:

- the variables within the model of CTS which will be applied by the Council and outlined above; and
- the cost to the discretionary fund scheme of protecting "Vulnerable People".

In conclusion, the Council has considered the introduction of a CTS scheme with a view to making necessary savings. The exact details of the scheme cannot yet be confirmed or determined until such time as a public consultation has taken place with members of the community and other authorities, such as the Fire & Police Authorities etc. In addition, due consideration needs to be given to the outcome of an equality impact assessment and decisions over which rules are ultimately adopted in the assessment of whether people need council tax support.