

REPORT TO:	COUNCIL	AGENDA ITEM: 15
DATE OF MEETING:	24th JANUARY 2013	CATEGORY: RECOMMENDED
REPORT FROM:	CHIEF EXECUTIVE OFFICER	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) CHIEF FINANCE OFFICER Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/council tax support scheme/committee reports/5 final council/local scheme regulations
SUBJECT:	COUNCIL TAX REDUCTION SCHEME REGULATIONS 2013	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 Under Section 10 of the Local Government Finance Act 2012, a Local Council Tax Support Scheme for South Derbyshire is adopted for the financial year commencing 1st April 2013.
- 1.2 New regulations are approved and cited as the Council Tax Reduction Scheme Regulations (South Derbyshire District Council Local Scheme 2013) and come into force on 24th January 2013.
- 1.3 These regulations amend the Council Tax Reduction Schemes Default (England) Regulations 2012 as set out in the Schedule to those Regulations for the purposes of paragraph 4 of Schedule 1A to the Local Government Finance Act 1992, by:
 - Inserting Section 18a Class G: exempt persons who are not pensioners whose income is less than the applicable amount.
 - Inserting Section 18b Class H: persons who are not pensioners whose income is greater than the applicable amount.
 - Amending Regulation 32 to vary the maximum entitlement in prescribed cases, i.e. to give effect to the designation of war pensioners and the disabled as protected groups (in addition to pensioners under the Default Scheme) and to reduce benefit entitlement in non-protected groups by 8.5% for passported cases and by 10% in all other cases.
 - Amending Schedule 8 (20) to ensure the continuation of the disregard of war pensions, to include other payments made under the Armed Forces Compensation Scheme.
 - Inserting at Part 12 Chapter 6 a provision to increase the period of extended payments (as defined in the Regulations) from 4 to 8 weeks.

2.0 Purpose of Report

- 2.1 To adopt the detailed regulations for the proposed Local Council Tax Support Scheme for South Derbyshire for 2013/14.
- 2.2 This is based on the recommendations of the Finance and Management Committee who have considered the issues and reviewed options in accordance with their terms of reference over the last year.
- 2.3 As a billing authority, the Council is statutorily required to adopt a local scheme before 31st January 2013. The Regulations will come into force immediately and will be effective from 1st April 2013. They will replace the existing national benefits scheme, as it applies to Council Tax, which will be abolished on 31st March 2013.

3.0 Detail

- 3.1 The South Derbyshire regulations are based on the Government's default scheme, which is effectively the current national scheme for council tax benefit.
- 3.2 In summary, the Local Scheme will incorporate the existing national parameters and thresholds for calculating Council Tax support for claimants, adjusted to reflect new parameters, as follows:
 - That working age passported claimants currently receiving 100% council tax benefit are deducted 8.5% from their entitlement calculated under the Local Scheme.
 - That all other working age claimants are deducted 10% from their entitlement calculated under the Local Scheme.
 - That full Council Tax support for claimants entering work is extended from 4 weeks to 8 weeks in the Local Scheme.
- 3.3 By adopting the default scheme (adjusted only for the above) this ensures that:
 - All claimants of pensionable age receive exactly the same level of support as exists under the current national scheme.
 - That all households who qualify for benefit through disability premiums receive exactly the same level of support as exists under the current national scheme.
 - That all war widow and war disabled claimants receive exactly the same level of support as exists under the current national scheme.
 - That all military compensation payments are fully disregarded in calculating council tax support.

- 3.4 The Local Scheme will also apply to all new claimants after 1st April 2013.
- 3.5 The detailed regulations are extremely detailed and are covered in over 200 pages. They can be accessed at:

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1533/Committee/275/Default.aspx>

- 3.6 A summary of the amendments as set in the recommendations to this report are shown at the front of the detailed regulations.

4.0 Financial and Corporate Implications

- 4.1 These implications have been considered in detail by the Finance and Management Committee.
- 4.2 One of the main issues in designing a scheme was to finance the reduction in central government support. The scheme is estimated to be cost neutral to the Council and other preceptors of Council Tax. However, in doing so, working age claimants will see a reduction in current support towards their Council Tax liability.
- 4.3 The Finance and Management Committee will regularly monitor the actual impact and costs during 2013/14. Changes to the Scheme may be required for 2014/15.

5.0 Community Implications

- 5.1 The proposals will have an impact upon residents of the District who currently claim benefit or in the future may become eligible for support under the Local Scheme.
- 5.2 Proposals and wider options were subject to consultation over a 12 week period from August to November 2012. The final scheme has also been subject to an Equality Impact Assessment.

6.0 Background Papers

- 6.1 Reports to Finance and Management Committee on 6th September, 18th October, 6th December 2012 and 10th January 2013 are available at:

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1509/Committee/278/Default.aspx>

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1517/Committee/278/Default.aspx>

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1524/Committee/278/Default.aspx>

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