

Gloucester City Council – Local council tax support scheme

Introduction

From 1 April 2013 the Government abolished the national Council Tax Benefit scheme, and gave local authorities the freedom to design and set in place their own local schemes. Local authorities had to adopt their own scheme or be required to use a scheme designed by the Government which is known as the Default Scheme. The new scheme will be called Council Tax Support.

Gloucester City Council adopted its local scheme at Council on 29 November 2012. This document sets out the local Council Tax Support scheme. In designing the scheme we have consulted local people and have taken into account the Government's policy intentions.

The principles of the Council Tax Support scheme are:

- Local authorities will receive a 10% reduction in subsidy by Government to operate the new local scheme compared to Council Tax Benefit. Regulations are in place to protect claimants of state pension credit age
- Local authorities must consult on their schemes with precepting authorities (such as the County Council, the Police and the public).
- Local authorities may collaborate to develop joint schemes.
- Local authorities must adopt a local scheme before 31 January 2013 or the default scheme will apply.
- Local authorities should aim to protect vulnerable groups.
- In developing schemes, local authorities should consider incentivising claimants into work.

Legislative requirements

The Government has set out rules in the

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, which protect claimants of state pension credit age; and
- Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, to be used by local authorities that fail to adopt a scheme.

The Prescribed Requirements Regulations detail how Council Tax Support will be worked out for people of state pension credit age. In designing a local Council Tax Support scheme, local authorities must include the requirements of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

The Council Tax Reduction Schemes (Default Scheme) (England) 2012 Regulations must be used by local authorities that have not adopted a local scheme by 31 January 2013. These regulations include all of the provisions of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, ensuring that claimants of state pension credit age are protected. They also make provisions for deciding entitlements for working age claimants.

Gloucester City Council scheme

The local Council Tax Support scheme is designed to provide local people with broadly the same level of support they would have received had the Council Tax Benefit scheme remained in place. We have not passed the 10% reduction imposed by Government on to claimants.

We have based the local Council Tax Support scheme on the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, for both pension age and working age claimants. We have made some specific additional provisions to support our aim that claimants should receive broadly the same level of benefits they would have received had the Council Tax Benefit scheme remained in place. The additional provisions are:

- **War pensions income** - We will continue to disregard £10 of the War disablement pensions and war widows pensions and in addition will disregard the remainder of the War disablement element of a war pension and the war widows element of a war widows pension, when assessing a reduction under the local Council Tax Support scheme.
- **Overpayment of a reduction** - When we calculate whether we have overpaid a recipient for a reduction under the local Council Tax Support scheme, we will offset any Council Tax Support that would have been due for the same period as the overpayment, had we been aware of the true circumstances of the claimant at that time (this is called underlying entitlement). It is the responsibility of the claimant to request offsetting and to provide the information necessary to enable a calculation of underlying entitlement to be made.

When we consider a reduction under our local Council Tax Support scheme we will also consider any entitlement, under Section 13A(1)(c) of the Local Government Finance Act 1992, for any further reduction in Council Tax. We will make decisions for further discretionary reductions, having due regard to our duties under The Child Poverty Act 2010, The Housing Act 1996, and The Equality Act 2010.

When we consider an application for a further reduction we will review all relevant matters including, but not limited to:

- The circumstances of any other person with whom the applicant is jointly and severally liable for Council Tax.
- The overall financial situation of the applicant and the applicant's family.
- The effect we believe making an award will have on the applicant and any members of the applicant's family.
- Protecting the public purse and maintaining financial budgets.

A person who applies for a discretionary reduction may request that we review our decision. Any request for a review must be made in writing and received within one month of the date we notified the decision. A review will be conducted by a different officer to the one that made the original decision, and the outcome notified in writing. A review could lead to a reduction or increase in any award.

A copy of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 is available on the following website <http://www.legislation.gov.uk/browse/uk>.

Gloucester City Council

Council Tax local discretionary discounts

Introduction

The Local Government Finance Act 2012 makes technical reforms to council tax giving new flexibilities for councils with regards to the level of council tax levied on second homes and certain categories of empty dwellings.

These changes present an opportunity to reduce the level of discounts currently awarded in order to encourage owners to bring empty properties back in to use more quickly. They will also increase council tax income which could help with reduction in Government funding for the council tax support scheme in 2013/2014.

Changes from 1 April 2013

Currently there are various categories of exemptions which apply to empty dwellings. Two of these exemption classes are being abolished and replaced with discount classes for which councils can set their own level of discount. The Council has already exercised its powers in terms of second homes and long term empty properties (those empty for more than six months) since April 2004.

The following table explains the current level of exemption given in 2012/2013 and their respective replacement discounts for 2013/2014.

Current Position	Changes in Local Government Finance Act 2012 and The Council Tax (Prescribed Classes of Dwellings) Regulations 2012 (SI 2964/2012)	Level of Reduction applied for Gloucester from 01 April 2013
<p><u>Exempt Class A</u></p> <p>Properties in need of or undergoing structural repairs to render them habitable. The exemption can apply for a maximum period of 12 months</p>	<p><u>Discount Class D</u></p> <p>The exemption Class A is abolished and replaced with a new local discount class D. The level of discount can be set between zero and 100%. The circumstances in which a property would fall in to this class are the same as for the previous exemption class A</p> <p>The maximum 12 month period will apply after which properties will be classed as long term empty</p>	<p>25% discount for Class D for up to 12 months</p>

<p><u>Exempt Class C</u></p> <p>Properties which are unoccupied and unfurnished. Exemption awarded for a maximum of 6 months. Following the expiry of this period a property remaining empty will be classed as long term empty</p>	<p><u>Discount Class C</u></p> <p>The exemption is being abolished and properties which are unoccupied and unfurnished will fall into discount Class C. The level of discount can be set between zero and 100%</p>	<p>The level of discount is set at 100% for the first month the property is empty and at 25% for the following 5 months.</p>
<p><u>Discount Class C - Long Term Empty Properties</u></p> <p>Properties which are unoccupied, unfurnished and where no exemption category applies. The discount level has been set at zero since 1 April 2004</p>	<p><u>Discount Class C</u></p> <p>The discount Class C which already applies for long term empty properties now incorporates the initial 6 month period previously covered by the exemption class</p>	<p>The level of Discount for Class C to remain at zero in respect of properties which have been unoccupied and unfurnished for 6 months or more (long term empty properties)</p>
<p><u>Discount Classes A & B - Second Homes</u></p> <p>Second homes are properties which are furnished but not occupied as a main home.</p> <p>In accordance with current local discretionary powers the discount level has been set at the minimum level allowed which is 10% since 1 April 2004</p>	<p><u>Discount Classes A & B</u></p> <p>The discount level may now be reduced to zero</p>	<p>The discount level is zero</p>