

Draft Council Tax Reduction Scheme (2014 – 2015)

DRAFT

Introduction

Council Tax Benefit was abolished in 1 April 2013. Section 10 of the Local Government Finance Act 2012 (the 2012 Act) which amends section 13A of the Local Government Finance Act 1992 (the 1992 Act) requires each local authority to produce its own Council Tax Reduction Scheme.

This document sets out Camden's Council Tax Reduction Scheme for the year 2014-2015 which the Council is required to produce under the provisions of Section 13A (2) and Schedule 1A of the 1992 Act (as inserted by the 2012 Act).

The Council's scheme must specify the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in the authority's area, by—

- (a) persons whom the authority considers to be in financial need, or
- (b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need.

The enabling provisions set out in the 2012 Act allow the authority to use its discretion to design schemes for support for those not of pension age but contains requirements that certain elements must be included in all schemes. The detail of the elements which must be included in local council tax reductions schemes are set out in The Council Tax Reduction Schemes (Prescribed Requirements Scheme) (England) Regulations 2012/2885, hereinafter called the Prescribed Requirements.

The Prescribed Requirements set out:

1. Prescribed provisions for pensioners: the Government has said that local authorities must protect pensioners at the same level of support as the council tax benefit scheme and has prescribed a [local] scheme for pensioners with national rules that provide the substantially same outcomes as Council Tax Benefit. This means that the authority has no discretion over the method or level of support provided to pensioners and that pensioners are protected from any further reductions in the current level of support in accordance with the Prescribed Requirements.
2. Exclusions of those who are subject to immigration control and/or not otherwise treated as being in Great Britain:
3. A small number of prescribed administrative requirements

The Council is required to design and implement its own Council Tax Reduction Scheme by 31 January to take effect from 1 April of the same year. By law each financial year the Council must consider whether to revise or replace its scheme.

Camden has based its local scheme for Council Tax Reduction on the Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012/2886 (Default Regulations) which incorporates the Prescribed Requirements. The Default Scheme Regulations also set out the matters to be included in schemes as required by Schedule 4 of the 2012 Act which inserts a new Schedule 1A into the 1992 Act and will continue to adopt the same but subject to certain amendments which will enable it locally to pass on a reduction in funding to working age recipients. These amendments are set out below under the section titled 'Camden's Scheme'

By way of summary, under Camden's Scheme (2014-2015):

- Those claimants who have reached their state retirement age will have their entitlement to CTRS calculated in the same way as if Council Tax Benefit was continuing. There will be no change to the amount of financial support they receive as a result of this scheme being adopted. This will be called the 100% scheme
- Working age claimants will have their entitlement to CTRS calculated under the Working Age (WA) scheme. Under the WA scheme the CTRS award will be calculated in the same way as if Council Tax Benefit was continuing but with the following changes from the existing rules:
 - Working age claimants will receive a reduction of 8.5% in the amount of financial support they receive. In effect this means that the maximum amount of support they can get will be reduced from 100% of their Council Tax liability to 91.5%.
 - The provision to claim Second Adult Rebate will be removed for working age claimants.
 - The earnings disregards for working age claimants will be increased as follows
 - Single person from £5 to £15 per week
 - Couple from £10 to £20 per week
 - Lone Parent from £25 to £35 per week
 - Some disabled people, carers and those in special occupations from £20 to £30 per week

Camden's Scheme

The London Borough of Camden's Council Tax Reduction Scheme has adopted the provisions set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, including the amendments when in force made by The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012/3085 and subject to the further amendments set out below. The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 are published and can be viewed at <http://www.legislation.gov.uk/ukSI/2012/2886/made> The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012/3085 are also published and can be viewed at <http://www.legislation.gov.uk/ukSI/2012/3085/regulation/4/made>

For the purposes of its Camden's Council Tax Reduction Scheme the provisions set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (Default Scheme Regulations) shall be amended as follows:

Maximum Council Tax Reduction

For persons who are not pensioners Camden's Working Age scheme has a maximum Council Tax Reduction equal to 91.5% of the applicants Council Tax liability. Therefore the following changes will be made to the Default Scheme regulations:

1. In PART 7: Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

29.—(1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is 100 per cent 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,

Is replaced with:

29.—(1)(A) Subject to sub-paragraphs (2) to (4), a pensioners maximum council tax reduction amount in respect of a day is 100 per cent 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).

29.—(1)(B) Subject to sub-paragraphs (2) to (4), for persons who are not pensioners a maximum council tax reduction amount in respect of a day is 91.5 per cent 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).

Applications for Council Tax Reduction

1. In Schedule 1: Part 1 Procedure by which a person may apply for a reduction under this scheme

In Part 1 Schedule 1

8. —(1) Any claim for Council Tax Benefit made prior to 1 April 2013 which is
- i) in payment
 - ii) waiting to be put into payment
- will be treated as an application for Council Tax Reduction under this scheme

(2) For the first year of the scheme (1 April 2013 to 31 March 2014) any claim received for Council Tax Benefit will be treated as being an application for a Council Tax Reduction under this scheme

Is deleted

In Part 1 Schedule 1

- 3 (3) Any claim received for Council Tax Benefit will be treated as being an application for a Council Tax Reduction under this scheme

Is inserted

Alternative Maximum Council Tax Reduction

Camden's scheme does not have an Alternative Maximum Council Tax Reduction for any person who is not a pensioner. Therefore the following changes have been made to the Default Scheme Regulations:

1. In Part 4 paragraph 18(1)-(4) shall be replaced with

- a) 18. There will be no Class F alternative maximum council tax reduction for persons who are not pensioners.

2. In Part 8:

- a) Heading
Alternative maximum council tax reduction under this scheme: pensioners and persons who are not pensioners

is changed to

Alternative maximum council tax reduction under this scheme: pensioners

- b) 31.—(1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council tax reduction: pensioners) or 18 (alternative maximum council tax reduction: persons who are not pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).

is changed to

31.—(1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council tax reduction: pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).

3. In Part 9:

- a) Heading
Amount of reduction under this scheme: Classes A to E

is changed to

Amount of reduction under this scheme: Classes A to F

- b) 32(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.

is changed to

32(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.

- c) The endnote referred to in paragraph 32 (4) of Part 9

As to which, see paragraphs 15 and 18 respectively

is changed to

As to which, see paragraph 15

4. In Part 14:

- a) 115. (6) (b) in the case of a person falling within class F (persons who are not pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the date when this occurs.

is deleted

5. In the following paragraphs Classes D to F will be amended to read Classes D to E

- i) 3.(b)
- ii) 52.(6)
- iii) 95. (1)
- iv) 95.(4)
- v) 97. (1) (a)
- vi) 97. (1) (c)
- vii) Just above 99.
- viii) 100 (1)
- ix) 100 (2)
- x) 102 (1) (a)
- xi) 102 (1) (b)
- xii) 102 (1) (c)
- xiii) Just above 104

6. In Schedule 4

- a) Heading

Amount of alternative maximum council tax reduction: pensioners and persons who are not pensioners

Is changed to

Amount of alternative maximum council tax reduction: pensioners

- b) 1.(1) (a) “second adult” means any person or persons residing with the applicant to whom paragraph 15(2) (class C) or 18(2) (class F) (as the case may be) applies; and

Is changed to

1.(1) (a) “second adult” means any person or persons residing with the applicant to whom paragraph 15(2) (class C) applies; and

7. In Schedule 10

- a) 49. —(1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.

Is deleted and shall be left intentionally blank

- b) And 49 (2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F

Is changed to

And 49 (2) Sub-paragraph (1) does not apply where an applicant falls within class E

8. Index

- i) 18. Is left intentionally blank
- ii) 31. Alternative maximum council tax reduction amount under this scheme:
pensioners and persons who are not pensioners
Is changed to
Alternative maximum council tax reduction amount under this scheme: pensioners
- iii) 32. Classes A to F changed to read Classes A to E
- iv) 99. Classes D to F changed to read Classes D to E
- v) 104 Classes D to F changed to read Classes D to E
- vi) Schedule 4. Amount of alternative maximum council tax reduction: pensioners
and persons who are not pensioners
is changed to
Amount of alternative maximum council tax reduction: pensioners

Military Compensation Payments

In Schedule 6 Paragraph 40 Amounts to be disregarded in the calculation of income other than earnings: pensioners

- 1. In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, £10 of any of the following—

is changed to

- 1. In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, all of the following—

And

Schedule 8 Paragraph 54: Sums disregarded in the calculation of income other than earnings: persons who are not pensioners

- 20. Subject to paragraph 40, £10 of any of the following, namely—

is changed to

- 20. Subject to paragraph 40, all of the following, namely—

Increase earning Disregards

9. In Schedule 7

- 4. —(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

Is changed to

4. —(1) In a case to which this paragraph applies and paragraph 5 does not apply, £30; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £30.
5. In a case where the applicant is a lone parent, £25.

Is changed to

5. In a case where the applicant is a lone parent, £35.
6. (1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

Is changed to

6. (1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £30 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £30 of the aggregated amount.
7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment—
 - (a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;

- (b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

Is changed to

- 7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £30, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment—
 - (a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £30;
 - (b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £20 as would not when aggregated with the amount disregarded under paragraph 5 exceed £30.
- 8. In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10

Is changed to

- 8. In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £20; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20
- 9. —(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as—

Is changed to

- 9. —(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £30 of earnings derived from one or more employments as—
- 9.- (2) If the applicant's partner is engaged in employment—
 - (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
 - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

Is changed to

9.- (2) If the applicant's partner is engaged in employment—

- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £30;
- (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £20 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £30.

10. Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.

Is changed to

10. Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £30 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £10 if he is a single applicant, or up to £20 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £30.

11. In a case to which none of the paragraphs 4 to 10 applies, £5.

Is changed to

11. In a case to which none of the paragraphs 4 to 10 applies, £15.

12-(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work

Is changed to

12-(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £30 unless the Secretary of State is satisfied that B is also undertaking exempt work

Amendments to the Scheme

Amendments may be made by the authority during a financial year to the extent permitted or required by any enactment, subordinate legislation or decision of any court or tribunal. Such amendments shall be made by the Director of Finance in consultation with the Leader and Cabinet Member for Finance as appropriate

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