

Cheshire West and Chester Council

Local Council Tax Support – draft scheme

General

This document outlines the draft local council tax scheme for Cheshire West and Chester Council as set out under the proposed section 13A(1)(a) of the Local Government Finance Act.

This document does not make any proposals for discretionary reductions under section 13A(1)(c) of the Local Government Finance Act, any such applications will be considered individually.

This is a draft council tax support scheme only which sets out a number of proposals that are dependent on:

1. The outcome of the consultation on this proposed draft scheme;
2. The passing of the Local Government Finance Bill and any secondary legislation and
3. The introduction of the Welfare Reform Act 2012 and any secondary legislation.

In these proposals “new scheme” means the proposed council tax support scheme.

In these proposals “current scheme” means the existing council tax benefit scheme.

In these proposals “draft scheme “ means this draft local council tax support scheme for Cheshire West and Chester Council.

Class of persons

This draft scheme sets out proposed rules for working age claimants. Regulations will prescribe a scheme for claimants of state pension credit age and will prescribe certain classes of persons who are not eligible to claim council tax support.

It is proposed that eligibility for council tax support is determined by reference to the income and capital of the claimant and any partner, and by the income, capital and number of non-dependants in the household.

It is proposed that eligibility under the new scheme is defined by the terms of the current scheme as set out in the Social Security Contributions and Benefits Act 1992, the Social Security Administration Act 1992, the Council Tax Benefit Regulations 2006 and the Housing Benefit and Council Tax Benefit (Decision and Appeals) Regulations 2001. These regulations set out how council tax benefit is claimed, how it is calculated and how it is paid. This draft scheme proposes that the principles and methods set out in those regulation are used to determine council tax support, except where amendments are set out in this draft scheme or by statute under the Local Government Finance Act and any accompanying legislation.

Class of reduction

It is proposed that council tax support is calculated as a means tested discount, defined by the terms of the current scheme except as defined below:

This draft scheme proposes that a maximum figure is placed on the amount of council tax that can be considered eligible for council tax support. The eligible council tax can be limited by one or a combination of the following ways:

- a) A cap set as a proportion of the claimant's eligible council tax liability (determined in the manner set out in the council tax benefit regulations 2006). We estimate that this cap will need be set at a percentage between 80 and 70 per cent of the uncapped liability. The capped liability will be used as a new eligible council tax when the claimant's circumstances are set by means testing.
- b) A cap set at a maximum band equivalent. The maximum band would be set as a band D or band C. The claimant's liability for council tax would be capped at this band before any discount or apportionment for joint liability is taken into account.

Council tax benefit is means tested with a taper as per sub-section (5)(c)(ii) of section 131 of the Social Security Contributions and Benefits Act 1992. This taper is set as 2 6/7 per cent per day, which is equivalent to 20 per cent per week. This draft scheme proposes to retain this rate.

This draft scheme proposes to keep the current system of making deductions from eligible council tax for each non-dependant person in the household. It proposes that the categories of non-dependants are set out as they are in the council tax benefit regulations at the date this scheme is created. It proposes that the level of non-dependant deduction may be increased by an amount to be determined. It also proposes that a deduction may be made or amended for those who currently receive a nil deduction.

This draft scheme proposes that the earnings disregard applied to all claims with earned income may be amended. The level of disregard may be set at an amount higher than the current level of disregard.

This draft scheme proposes that the maximum amount of capital that a claimant may hold before becoming ineligible for council tax support may be set at £6,000 or a different figure to be determined. It is also proposed that any capital below this level will be disregarded in the calculation of entitlement to council tax support.

When regulations have been issued setting out the method of calculation for benefits established under the Welfare Reform Act 2012, (such as universal credit and personal independence payments), the council will consider how to determine income from these benefits.

It is proposed that the treatment of income and capital as set out in schedules 3, 4 and 5 of the Council Tax Benefit regulations 2006 may be revised at any point.

It is proposed that the maximum period to which a claim can be backdated may be amended to such period other than six months or that provision for backdating may be removed completely. This period will be defined by the new scheme.

This draft scheme proposes that an alternative council tax benefit (second adult rebate) is not determined in any claim for council tax support.

Applications

From April 2012 all new claims will require an application. The council will select an appropriate means of application and any such application may be revised as required.

Statutory regulations will define how claimants currently in receipt of council tax benefit will transfer onto the new scheme. This statutory method will be used in the new scheme. It is likely that the council will ask all existing council tax benefit claimants to re-apply for council tax support.

The council may implement a review process for new and existing awards. The council may revise awards over a period of time that will be determined by the council. A failure of the claimant to fulfil any request during a review of their award may result in the termination of that award.

General administration of the scheme

Apart from where statutorily required, advice of any award granted, removed or revised will be by an adjustment to the council tax bill and a written notification explaining how it has been calculated and any appeal rights. Written notification will also be issued where there is a nil entitlement to support.

Any overpayment of Council Tax Support by the Council will be added to the council tax bill.

Appeals process

Statutory regulations will define how claimants can challenge and appeal a decision made by the local authority and the decisions that are appealable. Regulations will define the body to which an appeal can be made.

Uprating of basic needs allowances

The draft scheme proposes that any figures set out in the new scheme may be uprated, to take effect on 1 April each year following the start of the scheme, by the consumer price index (CPI), retail price index rate of inflation set out in the preceding September, or by another rate determined with reference to the provisions made for housing benefit and universal credit or as to be determined by the authority.

This draft scheme will have uprating parameters set out for 1 April 2013. If the council does not revise the scheme at the end of any subsequent financial year the parameters will continue to apply for subsequent years.

Other matters

It is proposed that the new scheme may be amended to take into account any circumstances subsequently identified, whether through Government statute, public consultation or any other means.