



Department for
Communities and
Local Government

Localising support for council tax

Default and Prescribed Requirements Schemes – Publication note

7 September 2012

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Prescribed Requirements and Default Scheme regulations – September update

Localising council tax support: regulations prescribing: (i) requirements for all council tax reduction schemes (including provisions relating to persons who have attained the qualifying age for state pension credit – Schedules 1-6 and limited administrative provisions for all applicants – Schedules 7-8); and (ii) the default council tax reduction scheme.

- 1.1 These two sets of draft regulations were prepared by the Department for Communities and Local Government, and published on 16 July 2012, under the new Schedule 1A to the Local Government Finance Act 1992 (“the 1992 Act”) (to be inserted by Schedule 4 to the Local Government Finance Bill, subject to the will of Parliament).
- 1.2 We would like to thank all of those who have taken time to respond to the draft regulations to date, either through other organisations or directly through the CTB Reform email box, and those who have approached us with queries or requests for clarification. We continue to be open to feedback on the draft regulations.
- 1.3 Over the summer we have incorporated a number of minor corrections and these as well as a number of cross-reference updates have been incorporated in this version. An update incorporating some of the wider points raised will be issued in early October.
- 1.4 Some of the more notable changes dealt with in this update, some responding to stakeholder feedback, are as follows:

Prescribed Requirements for all schemes – dates when changes of circumstance are to take effect

- 1.5 We received a number of queries on Prescribed Requirements for local schemes regarding dates when changes of circumstances should take effect for persons who are not of pension-credit age (Schedule 8, paragraphs 3 and 4). It is correct that these dates should be for billing authorities to decide upon. Paragraphs 3 and 4 have therefore been removed.

Pension-fund provider duties

- 1.6 We intend that requirements for pension-fund holders to provide information on request will be covered in regulations under section 14A of the 1992 Act (inserted by clause 13 of the Bill). The following subparagraphs have therefore been removed from these regulations: Default Scheme, paragraph 111(6)-(7) and Prescribed Requirements regulations, Schedule 8, paragraph 7(6)-(7) (references are to 16 July versions).

Duty to notify changes of circumstances

- 1.7 We now have made it clearer that this duty will apply from the date of the receipt of an application onwards (paragraph 113(1) of the Default Scheme).

National Insurance Number requirement

- 1.8 We have now included a new provision requiring applicants to provide a NINO (paragraph 111(1) to (3) of the Default Scheme), also reflected in the Prescribed Requirements regulations (Schedule 8, paragraph 7).

Clarification of capital limit provision

- 1.9 We have made the capital limit provision clearer, as a separate provision (see, for example, paragraph 22A of the Default Scheme).

Prescribed Requirement Disregard for pensioner schemes

- 1.10 In Prescribed Requirements regulations, Schedule 4, paragraph 5(2) and (3)(c) (pensioners – earnings disregards) there is provision for a £20 disregard to continue when a person attains the qualifying age for state pension credit, where there has been no break in a person's receipt of a reduction under a scheme for eight weeks. We have made it clear that in the case of a person who has now attained the qualifying age for state pension credit, this may be eight weeks of receipt of reduction under the authority's scheme, or under another authority's scheme.

Removal of Schedule 4, paragraph 10(2)(c)

- 1.11 Schedule 5, paragraph 10(2)(c) of the Default Scheme and Schedule 4, paragraph 10(2)(c) of the Prescribed Requirements regulations have been removed because regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 has been revoked.

Points to note going forward

October update

- 1.12 We will refresh the draft regulations again in early October.
- 1.13 We will make any amendments required and provide more information on the outcome of current considerations in the following areas:
- Recovery of excess reduction awards /payment of shortfalls;
 - Time and manner of granting reduction and payments on death;

- Updates relating to Universal Credit – possible simplification of adjustments to be made by local authorities under the Default Scheme
- Information-sharing on cases between authorities
- Adjustments required (as necessary) to reconcile with the Council Tax Administration and Enforcement Regulations 1992
- Adjustments required (as necessary) to reconcile with elements of the Council Tax Benefit Decisions and Appeals Regulations 2001.

Premia/ disregards and DWP Uprating

- 1.14 As stakeholders are aware, in autumn 2012 it is DCLG's intention to update and align the premia/ applicable amounts in regulations for the Default and Pensioner schemes with current rates/ DWP's autumn uprating. This will be done using Housing Benefit amounts.
- 1.15 At the same time, DCLG is working with DWP (again, in relation to the pension credit age and default schemes) to model the way in which non-dependent deductions would have been uprated had council tax benefit continued.
- 1.16 To effect this update, current amounts will be included in the October update of the regulations and once the uprated amounts are available from DWP, these will be introduced by amendment.

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