

Localising council tax support – Q&A

Q1. When do schemes need to be in place?

Billing authorities need to make their schemes no later than 31 January 2013. Schemes will come into operation on 1 April 2013.

Q2. Does pensioner protection mean that all pensioners will get support?

No. As at present, pensioner entitlement will be based on a means test and/or receipt of a qualifying benefit (pension credit guarantee credit).

Q3. What is the definition of pensioner?

A pensioner, for the purposes of localised council tax support schemes, is someone who has reached the qualifying age for state pension credit. The qualifying age for state pension credit is women's pensionable age – for both men and women – currently just over 61.

Q4. Is the Government going to prescribe which vulnerable groups are going to be protected?

Billing authorities have a range of responsibilities in relation to vulnerable groups. Other than pensioners (who cannot reasonably go to work), we have not prescribed exactly how councils should draw up their local support schemes.

Q5. How will pensioners be protected, and what about those who reach the qualifying age in the future?

There will be regulations setting out which classes of pensioner must be included in a local authority's scheme, and the amount of reduction pensioners within those classes will receive. The intention is that the schemes, so far as relating to vulnerable pensioners, will operate in a way very similar to what is in place now in relation to council tax benefit. People reaching pension-credit age in future will be able to apply under the new scheme – it will not be limited to those already in receipt of support.

Q6. Is the Government going to prescribe how schemes should support work incentives?

It will clearly be in billing authorities' interests to design schemes which support work incentives, to ensure more people are encouraged to move into work and demand for support is reduced.

Q7. When will we know what our funding will be?

The Government has published a funding consultation in which it sets out a distribution of funding based on shares of previous expenditure and shares of council tax, and proposed arrangements for those authorities who may face the greatest pressures. This includes provisional allocations.

Q8. Why are you providing funding to major precepting authorities as well as billing authorities when billing authorities will be running schemes?

In future council tax support will take the form of council tax reductions, which will have the effect of reducing a billing authority's council tax base. Major precepting authorities calculate their basic amount of council tax by dividing their council tax requirement by the aggregate of the council tax bases of the billing authorities falling within their area. Providing funding to major precepting authorities will help hold down major precepting authorities' council tax requirements, which in turn will help protect overall council tax levels.

Q9. Is the Government going to provide model schemes?

No.

Q10. What is the default scheme? Is it a model scheme?

No. The default scheme takes effect only if an authority fails to make a scheme on or before 31 January 2013. If the billing authority makes a scheme on or before 31 January 2013, it is not the default scheme (even if it is similar to it).

Q11. Could we adopt the default scheme as a matter of choice?

A billing authority may choose to base its local scheme on the default scheme. Where an authority adopts a scheme, no matter what the content of that scheme (and even if it is the same or substantially similar to the default scheme) then it is a local scheme. The authority is obliged to consult with major precepting authorities on its scheme, publish a draft scheme and consult with such other persons it considers are likely to have an interest in the operation of the scheme.

Q12. Will billing authorities continue to receive administration funding?

Yes. We will set out in due course our plans for funding the administration of local schemes.

Q13. Will billing authorities receive funding to set up local schemes?

Yes. The Government has indicated that it will carry out a new burdens assessment on the costs of implementing local schemes. In the 2012 Budget statement the Government announced that it will release initial funding totalling £30 million to assist billing authorities in preparing for the change.

Q14. Could we continue to use the current application forms or will we be required to produce new forms?

The Government does not envisage prescribing in detail the forms that billing authorities should use for their local schemes. It is anticipated that billing authorities may wish to use council tax benefit application forms as a starting point, but will need to remove any references or logos which are no longer relevant.

Q15. Will billing authorities continue to receive data from the Department of Work and Pensions to support the administration of schemes?

The Department is working with the Department of Work and Pensions to ensure that the necessary legal powers and IT systems are in place to enable data generated from Universal Credit claims to be available to billing authorities to establish eligibility and calculate awards, in accordance with the rules of local schemes.

Q16. Will we be required to invite new claims from existing council tax benefit claimants?

The Government's intention is to avoid the need for claimants already in receipt of, or who have already applied for, council tax benefit to have to apply for a local council tax reduction scheme.

The Government has published a statement of intent which sets out how the transition from council tax benefit to a local council tax reduction scheme will be implemented.

The statement is available at

<http://www.communities.gov.uk/publications/localgovernment/localisingsupportcounciltax>

Q17. Will the Government regulate for how a scheme is consulted upon and adopted?

The Government has published a statement of intent which explains how we expect a billing authority to prepare a local council tax reduction scheme. At present the Government is not proposing to make regulations to prescribe the approach to preparing scheme. The statement is available at

<http://www.communities.gov.uk/publications/localgovernment/localisingsupportcounciltax>

Q18. Where it is possible for us to shorten the standard 12 week consultation period as a result of limited timescales and budget cycles, can you give any indication of a minimum expected time period?

Paragraph 2.15 of the statement of intent states:

“billing authorities may wish to consider the appropriate length of their consultation depending on the impact of their proposals and the ability to complete the consultation exercise within budgetary timetables.”

Q19. Does this consultation period encompass formal consultation with major preceptors, as they must be involved in shaping proposals before these are published in the public domain?

No – the Bill already specifies that, before adopting a scheme, the billing authority must in the following order:

- a. consult any major precepting authority which has power to issue a precept to it,
- b. publish a draft scheme in such manner as it thinks fit, and
- c. consult such other persons as it considers are likely to have an interest in the operation of the scheme.

As set out in Paragraph 2.11 of the statement of intent when the public consultation is carried out, the major precepting authority will have been consulted and should have been involved in shaping the initial proposals.

Q20. In addition, can you give any guidance on what stage schemes should be at by January 2013? I understand that they should be finalised, but will there be a process whereby we submit these to DCLG before implementation?

By the 31st of January a local scheme will have needed to be adopted, otherwise the *default* scheme will take effect in relation to an authority’s area.

It will be up to the billing authority to prepare, consult and adopt a scheme formally through their internal decision-making processes. DCLG will not have any role in the formation, checking of or adoption of a local scheme.