



Proposed Option for Local Council Tax Support

Impacts working age claimants and people with second homes

Option 8	
<p>From April 2013, increase non-dependant deductions from: £0.00 to £0.00* £3.30 to £6.00 £6.55 to £9.00 £8.25 to £15.00 £9.90 to £20.00</p> <p>Increase council tax for certain properties in line with the Council Tax Technical Reforms for 2013 as follows: Remove the second homes discount completely (currently 10%). Remove Class A exemption (empty and undergoing major structural repairs). Remove the Class C exemption (unoccupied and unfurnished) completely. Take the savings from the abolition of Class L (mortgagees in possession).</p> <p>From April 2014, the maximum council tax support award will be capped to the top of band D, which is currently £28.80 per week.</p>	
2013 Reduction: £1.8 mil	2013 Contingency: NIL

*Under the current benefit rules, non-dependant deductions are based on the gross income of the non-dependant. However, where the non-dependant is in receipt of an out-of-work benefit, the deduction remains at zero in line with the current scheme.

For 2013/14, this option uses a combination of increased non-dependant deductions and reductions in property exemptions.

For 2014/15, the CTS scheme will use a combination of increased non-dependant deductions, reductions in property exemptions and capping weekly council tax support to a band D charge which is currently £28.80.

The non-dependant deductions above have been calculated using 2012/13 rates. The DWP will provide 2013/14 non-dependant deduction rates in December 2012 from which savings can be calculated.

Potentially 582 claimants residing in properties banded E, F, G and H could be affected by restricting benefit to Band D Claimants. Further analysis will continue to determine more exactly the numbers affected.

This option comprising elements of benefits and council tax to make the savings could affect 8,296 households of which 715 will be in receipt of benefit and 7,581 will be Council Tax Payers with second homes. These are forecasted figures, which will be monitored up until the implementation of the new scheme.

Proposals in the Local Government Finance Act 2012 are optimized above to attain the savings to offset the Government's 10% reduction in expenditure. The proposed scheme for 2013 also takes advantage of the Government's additional transitional funding which is outlined in paragraph five of the report.

Preferred Option Statistical Data

Description	Properties that may be affected by band	No. cases All CTB lost	Annual LA Saving/Customer Loss £	No. of household affected
a. Increase Non dependant deductions: £3.30 to £6.00 £6.55 to £9.00 £8.25 to £15.00 £9.90 to £20.00	715 cases affected	94	£185k	715
From 2014 b. Restriction to Actual Band D Liability 2012/13 £28.80	Working Age: Band A - 0 Band B - 0 Band C - 0 Band D - 0 Band E - 454 Band F - 87 Band G - 20 Band H - 1	None	Total £89k A £0.00 B £0.00 C £0.00 D £0.00 E £45k F £32k G £11k H £1k	582
Exemption Category	Current scheme	LGFA Enables	Potential Additional Income £	No. of properties affected
c. Second homes	Having apply a Discretionary discount of 10%.	Range of discretion between 0% and 50%. Having propose 0%.	47K	739
d. Exemption Class A – empty and undergoing major repairs/structural alterations	100% up to a maximum of 12 months	Discretionary discount between 0% and 100%. Having propose 0% over 12 months.	240k	468
e. Exemption Class C – unoccupied and unfurnished	100% up to a maximum of 6 months	Discretionary discount between 0% and 100%. Having propose 0%.	1.303k	6289
f. Mortgagees in possession Class L	100% no time limit	Abolition. Having propose 0% from a date to be confirmed by DCLG.	41k	85
Total			1.816k	8,296

