

Appendix A

DCLG:- LOCALISING SUPPORT FOR COUNCIL TAX IN ENGLAND CONSULATION

Consultation Question	Dudley MBC Response
Section 5 - Principles of the Scheme	
<p>5a: Given the Government's firm commitment to protect pensioners, is maintaining the current system of criteria and allowances the best way to deliver this guarantee of support?</p> <p>5b: What is the best way of balancing the protection of vulnerable groups with the need for local authority flexibility?</p>	<p>5a. Whilst acknowledging the commitment, the protection of 'asset rich income poor' pensioners will need to be funded (in part at least) by other vulnerable / low income groups e.g. Disability Living Allowance recipients. For affordability reasons, protection should be considered for current claimants only. Protection needs to be balanced by the need for local authorities (LAs) to manage the financial impacts upon non-protected groups. The commitment reduces the flexibility of LAs in designing their local schemes. Consideration should be given to allowing LAs local discretion to vary the mandatory 25% single person discount. There should be no need for Pension Guarantee Credit recipients to make a claim for council tax rebate.</p> <p>5b. This is very challenging. In Dudley a 10% reduction in council tax "benefit" expenditure equates to a 21% reduction (approx) in non-pensioner entitlement. If other vulnerable groups are given more help then the impact on working age claimants will be even greater. Dudley is proud to be one of the top performing metropolitan councils in terms of council tax collection but these changes, added to the housing benefit changes announced in April 2011, will inevitably lead to higher collection costs and a risk of increased losses on collection.</p>
Section 6 – Establishing Local schemes	

<p>6a: What, if any, additional data and expertise will local authorities require to be able to forecast demand and take-up?</p> <p>6b: What forms of external scrutiny, other than public consultation, might be desirable?</p> <p>6c: Should there be any minimum requirements for consultation, for example, minimum time periods?</p> <p>6d: Do you agree that councils should be able to change schemes from year to year? What, if any restrictions, should be placed on their freedom to do this?</p> <p>6e: How can the Government ensure that work incentives are supported, and in particular, that low earning households do not face high participation tax rates?</p>	<p>6a. Pensioner data (e.g. pension credit recipients), economic forecasts, ability to profile current caseloads.</p> <p>6b. Annual external audit process (an increased burden at a time of proposed change to the external audit process). Consultation with major preceptors. Consultation requirements arising out of LA Public Sector Equality Duties. Consultation with voluntary organisations such as the Citizens Advice Bureau etc is desirable but difficult to achieve in the proposed implementation timescales.</p> <p>6c. The requirement needs to pay heed to the pressures caused by (a) the LA budget setting process & (b) the extremely challenging implementation timescale.</p> <p>6d. In order to provide stability change should be minimised but it must be accepted that the proposed funding arrangements transfer a major risk to LAs that LAs are unable to mitigate against. Formal public consultation about changes should only be required where changes are major</p> <p>6e. It will be difficult to co-ordinate the impacts of a localised rebate scheme with the centralised Universal Credit (UC) scheme. However this could be achieved if the introduction of the rebate scheme were to become part of UC & implementation was delayed.</p>
Section 7 – Joint Working	

<p>7a: Should billing authorities have default responsibility for defining and administering the schemes?</p> <p>7b: What safeguards are needed to protect the interests of major precepting authorities in the design of the scheme, on the basis that they will be a key partner in managing financial risk?</p> <p>7c: Should local precepting authorities (such as parish councils) be consulted as part of the preparation of the scheme? Should this extend to neighboring authorities?</p> <p>7d: Should it be possible for an authority (for example, a single billing authority, county council in a two-tier area) be responsible for the scheme in an area for which it is not a billing authority?</p> <p>7e: Are there circumstances where Government should require an authority other than the billing authority to lead on either developing or administering a scheme?</p>	<p>7a. Yes. Billing authorities should also have the option of introducing <i>regionalised</i> rebate schemes but the proposed implementation timescales restrict our ability to consider this.</p> <p>7b. In the timescales available it will be very challenging to give precepting & other local authorities any major input into the rebate scheme.</p> <p>7c. See 7b above</p> <p>7d If this means administering a scheme in line with the shared service agreements in place now, then yes.</p> <p>7e This should be a billing authority responsibility other than in cases of extreme under performance.</p>
Section 8 – Managing Risk	
<p>8a: Should billing authorities normally share risks with major precepting authorities?</p> <p>8b: Should other forms of risk sharing (for example, between district councils) be possible?</p> <p>8c: What administrative changes are required to enable risk sharing to happen?</p> <p>8d: What safeguards do you think are necessary to ensure that risk sharing is used appropriately?</p>	<p>8a Yes, this is a natural consequence of rebates being treated as discounts & thus reducing the tax base.</p> <p>8b, c & d. The treatment of Council Tax Rebate as a discount will naturally lead to risk sharing with major preceptors. It will in practice and in the available timescales be very difficult to define and consult upon further risk sharing arrangements with other bodies. Attempts to share risk with neighbouring authorities will be vulnerable to economic deterioration leading to increases in numbers of claimants across an entire region or sub-region.</p>

<p>Section 9 – Administering Local schemes</p>	
<p>9a: In what aspects of administration would it be desirable for a consistent approach to be taken across all schemes?</p> <p>9b. How should this consistency be achieved? Is it desirable to set this out in Regulations?</p> <p>9c: Should local authorities be encouraged to use these approaches (run-ons, advance claims, retaining information stubs) to provide certainty for claimants?</p> <p>9d: Are there any other aspects of administration which could provide greater certainty for claimants?</p> <p>9e: How should local authorities be encouraged to incorporate these features into the design of their schemes?</p> <p>9f: Do you agree that local authorities should continue to be free to offer discretionary support for council tax, beyond the terms of the formal scheme?</p> <p>9g: What, if any, circumstances merit transitional protection following changes to local schemes?</p>	<p>9a As rules relating to pensioners are to be prescribed, the government should prescribe a national core scheme for working age claimants (e.g. with common capital limits) with LAs allowed some elements of local discretion. Consistency of definitions (of establishing identity, of capital limits etc) will minimise complexity and support data sharing/joint working. Consistency will assist software suppliers.</p> <p>9b. As above - through regulations</p> <p>9c. Yes, including sharing of data when claimant moves. Advance claims are rare.</p> <p>9d. Those in receipt of pension guarantee credit should automatically qualify and not be required to claim council tax rebate. Flexibility with council tax discounts, especially single person discounts. LAs should share data when claimant moves.</p> <p>9e It will be necessary for Government to provide sufficient funding to ensure that schemes are fit for purpose.</p> <p>9f. Yes but only as a temporary measure & with Government funding.</p> <p>9g. This is costly, administratively difficult, adds complexity & arguably is not achievable in terms of software development in</p>

<p>9h: Should arrangements for appeals be integrated with the new arrangements for council tax appeals?</p> <p>9i: What administrative changes could be made to the current system of council tax support for pensioners to improve the way support is delivered (noting that factors determining the calculation of the award will be prescribed by central Government)?</p> <p>Section 10 – Data Sharing</p>	<p>the timescale available. See also 13d.</p> <p>9h. Probably yes but would this create a tension with a national body adjudicating on local scheme issues?</p> <p>9i. More efficient usage of data held by the Pension Service.</p>
<p>10a: What would be the minimum (core) information necessary to administer a local council tax benefit scheme?</p> <p>10b: Why would a local authority need any information beyond this “core”, and what would that be?</p> <p>10c: Other than the Department for Work and Pensions, what possible sources of information are there that local authorities could use to establish claimants’ circumstances? Would you prefer to use raw data or data that has been interpreted in some way?</p> <p>10d: If the information were to be used to place the applicants into categories, how many categories should there be and what would be the defining characteristics of each?</p> <p>10e: How would potentially fraudulent claims be investigated if</p>	<p>10a & 10b As now e.g. name, address, national insurance number, income, capital and household details plus details of DWP sanctions.</p> <p>10b. See above</p> <p>10c. HMRC employment & pay records. Interpreted data.</p> <p>10d. working age + pensioner & details of their benefit entitlements</p> <p>10e. LAs need access to the data to protect public funds.</p>

<p>local authorities did not have access to the raw data?</p> <p>10f: What powers would local authorities need in order to be able to investigate suspected fraud in council tax support?</p> <p>10g: In what ways could the Single Fraud Investigation Service support the work of local authorities in investigating fraud?</p> <p>10h: If local authorities investigate possible fraudulent claims for council tax support, to what information, in what form would they need access?</p> <p>10i: What penalties should be imposed for fraudulent claims, should they apply nationally, and should they relate to the penalties imposed for benefit fraud?</p> <p>10j: Should all attempts by an individual to commit fraud be taken into account in the imposition of penalties?</p>	<p>10f. Same powers as the DWP Fraud Investigation Service.</p> <p>10g. As now with DWP fraud staff. Nb. Retaining fraud teams locally is welcomed as they have local knowledge and the ability to complement audit, council tax & tenancy fraud investigations. However having separate LA & DWP fraud teams is inefficient.</p> <p>10h. As now.</p> <p>10i. As now. Nationally</p> <p>10j. Yes</p>
Section 11 - Funding	
<p>11a: Apart from the allocation of central government funding, should additional constraints be placed on the funding councils can devote to their schemes?</p>	<p>11a. The principle of localisation suggests that local authorities should be allowed to make their own decisions about the resources that they devote to their schemes. However, as it stands, the proposal is to treat the rebate as a Council Tax discount so that improvements to the scheme would reduce the Council Tax base. This would have a knock-on effect on preceptors, meaning that the cost of decisions by one district would be shared with Council Tax payers in other districts falling under the umbrella of the same preceptors</p>

11b: Should the schemes be run unchanged over several years or be adjusted annually to reflect changes in need?	11b. Whilst consistency for claimants is desirable, changes should be at LA discretion otherwise an unavoidable risk falls upon LAs at this difficult time.
Section 12 – Administrative costs	
12a: What can be done to help local authorities minimise administration costs?	12a. As rules relating to pensioners are to be prescribed, the government should proscribe a national core scheme for working age claimants with LAs allowed some elements of local discretion. Those in receipt pension guarantee credit should automatically qualify and not be required to claim council tax rebate. Fixed benefit periods should apply, properly funded by Government. Flexibility with council tax discounts, especially single person discounts, improved information sharing, etc. Allow time for software providers to develop efficient systems.
12b: How could joint working be encouraged or incentivised?	12b. Joint working should only happen IF there is a robust business case for it. Incentives are not required.
Section 13 – Transitional & Implementation issues	
13a: Do you agree that a one-off introduction is preferable? If not, how would you move to a new localised system while managing the funding reduction?	13a. One off introduction is preferable with a much greater lead in time, preferably with implementation coinciding with the introduction of UC.
13b: What information would local authorities need to retain about current recipients/applicants of council tax benefit in order to determine their entitlement to council tax support?	13b. All information that is currently held.
13c: What can Government do to help local authorities in the transition?	13c. Allow a much greater lead in time, preferably with implementation coinciding with the introduction of UC. .Recognising that software development will be costly, ensure that DWP admin funding for LAs is sufficient, Allow time for software providers to develop efficient systems.

<p>13d: If new or amended IT systems are needed what steps could Government take to shorten the period for design and procurement?</p> <p>13e: Should applications, if submitted prior 1 April 2013, be treated as if submitted under the new system?</p> <p>13f: How should rights accrued under the previous system be treated?</p>	<p>13d. New / amended IT systems WILL be required e.g. to cater for pensioner protection & the 10% funding cut. Provide adequate funding & delay implementation or introduce legislation more quickly than planned. As rules relating to pensioners are to be prescribed, the government should prescribe a national core scheme for working age claimants (e.g. with common capital limits) with LAs allowed some elements of local discretion. With detailed regulations not available until (late?) next summer, (less than 6 months before implementation) our IT supplier has stated that they will not even scope out any software development work until more details are known.</p> <p>13e. No, the application should be assessed for both 2012/13 & 2013/14.</p> <p>13f. Further detail is needed to answer this question e.g. re students, non-dependants, etc.</p>
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