**BEDFORD BOROUGH COUNCIL** **DECISION NO. 1898_____**

**RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER**

This form **MUST** be used to record any decision taken by the Elected Mayor or an individual Executive Member (Portfolio Holder).

The form must be completed and passed to the Service Director for Governance (Monitoring Officer) no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Service Director for Governance (Monitoring Officer) has confirmed the decision has not been called in.

**1. Description of decision**

**(1) That the proposed changes to the Local Council Tax Reduction Scheme be approved for the purpose of public consultation.**

**(2) That the addition of Terminally ill Discounts to the Policy for the award of Discretionary Council Tax Reductions be approved for the purpose of public consultation.**

**2. Date of decision**

9 November 2026

**3. Reasons for decision**

To enable the views of local residents and other interested parties to be considered by the Executive prior to making recommendations to Full Council regarding the Local Council Tax Reduction Scheme and new policy to exempt residents with a life expectancy of less than six months from Council Tax to apply from 2027/2028

**4. Alternatives considered and rejected**

The alternative of not proposing any changes to the current scheme was considered and rejected due to the Council's overall financial position.

The alternative of proposing to limit the amount of support to lower levels was considered and rejected as this was not considered to be affordable to those residents in need of support with their Council Tax.

The option of introducing a banded Council Tax Support Scheme was considered and rejected because small changes in income could result in disproportionately large changes in entitlement, creating a 'cliff-edge' effect.

An increase to the taper rate was considered, in order that a larger proportion of a claimant's income above the specified amount is used to pay Council Tax. A small rise in the taper rate did not yield any savings, after the additional costs of administering the change were considered. However, given that universal Credit is also reduced for income above the specified amount it was considered a larger increase in the taper rate may act as a disincentive to work.

**5. How decision is to be funded**

There are no direct costs to undertaking the public consultation.

The proposals to be consulted on, would represent a net saving of approximately £0.585 million per year.

**6. Conflicts of interest**

| Name of all Executive members who were consulted AND declared a conflict of interest. | Nature of interest | Did Standards Committee give a dispensation for that conflict of interest? (If yes, give details and date of dispensation) | Did the Chief Executive give a dispensation for that conflict of interest? (If yes, give details and the date of the dispensation). |
|---|---|---|---|
| | | | |

The Mayor has been consulted on this decision — 9 November 2026

Signed: ..... Date: **9 November 2026**

Name of Decision Taker: **Cllr. Marc Frost**
**Finance Portfolio Holder**

**This is a public document. A copy of it must be given to the Service Director for Governance (Monitoring Officer) as soon as it is completed.**

**Date decision published: 10 November 2026 .....**

**Date decision can be implemented if not called in: Not applicable - exempt from call in.....**

**(Decision to be made exempt from call in.....YES..... This decision is exempt from Call in, it is considered that there would be insufficient time to facilitate the Call in process due to the time constraints associated with this decision.)**

**For publication**

**Bedford Borough Council – Report to the Portfolio Holder for Financial Services and Financial Sustainability**

**Date of Report: 9 November 2026**

**Report by: Service Director for Finance**

**Subject: CONSULTATION REGARDING PROPOSED CHANGES TO THE LOCAL COUNCIL TAX SUPPORT SCHEME FOR WORKING-AGE APPLICANTS**

## 1. EXECUTIVE SUMMARY

1.1 The Council is required by law to agree a Local Council Tax Reduction Scheme before 11 March of the financial year preceding the financial year to which the Scheme will apply. The Local Scheme only applies to Council Tax Support awarded to applicants of working-age. Applicants of pension-age are entitled to a Council Tax Support Discount under a national statutory scheme and the Council has no discretion regarding the amount of support awarded.

1.2 The current Local Council Tax Reduction Scheme, which has been in place for a number of years, allows for discounts of up to 100% to be awarded to applicants for properties in Council Tax Bands A to D, and for up to 82% for properties in Council Tax Bands E to H.

1.3 The Council is facing very significant financial pressures over the short and medium term and, consequently, it is proposed to review the amount of support that can be offered through the Local Scheme. This is in accordance with the existing Key Principles of the Local Scheme that have previously been agreed by Full Council, and in particular principle (c) which states:

(c) The total amount of Council Tax Support should be set at a level that is affordable within the Council's agreed budgets and that will not have a significant adverse effect on the overall funding available to the Council.

1.4 There is a statutory requirement for the Council to undertake consultation prior to making any changes to the Scheme. Therefore, this report makes recommendations for consultation to be undertaken regarding the proposed changes to the Local Council Tax Reduction Scheme to take effect from 1 April 2027, which can be summarised as follows:

1.5 The proposed revised scheme will continue to support the more vulnerable applicants in the following ways:

- Income from Child Benefit, Fostering Allowance and maintenance payments for a child will continue to be disregarded
- No changes are proposed to the disability benefits that are currently disregarded

1.6 The changes proposed to the Local CTRS Scheme are to charge 10% of the current net liability allowed under the existing scheme.

- Council Tax Bands A to D – Limit discounts to 90% Council Tax Liability payable.
- Council Tax Bands E to H – Limit discounts to 73.8% Council Tax Liability payable.
- Limit discounts to zero where the Claimant and/or partner have £6,000 or more in savings /investments. This is a reduction for the current level of £8,000

## 2. RECOMMENDATION

2.1 The Portfolio Holder for Financial Services and Financial Stability is invited to consider the report and, if satisfied, to:

2.2 **Approve the proposed changes to the Local Council Tax Reduction Scheme for the purpose of public consultation;**

2.3 **Approve the addition of Terminally Ill Discounts to the Policy for the award of Discretionary Council Tax Reductions for the purpose of public consultation.**

## 3. REASONS FOR RECOMMENDATION

3.1 To enable the views of local residents and other interested parties to be considered by the Executive prior to making recommendations to Full Council regarding the Local Council Tax Reduction Scheme and new policy to exempt residents with a life expectancy of less than six months from Council Tax to apply from 2027/2028.

## 4. THE CURRENT POSITION

4.1 The Council is required by law to put in place a Local Council Tax Reduction Scheme to reduce the amount of Council Tax to be paid by working-age persons that it considers to be in financial need. However, the regulations allow the Council broad discretion to determine which households should be eligible for Council Tax Support and the value of discounts to be awarded.

4.2 The current Local Council Tax Reduction Scheme for Bedford Borough was agreed at the meeting of Full Council on 25 November 2025.

4.3 The current Scheme limits the amount of Council Tax Support provided to recipients living in properties in Council Tax bands E, F, G and H to 82% of the Council Tax liability. Currently there are no restrictions on the amount of support that is provided for applicants living in properties in Council Tax bands A, B, C and D, who may receive a discount of up to 100% of their Council Tax liability.

4.4 In the event that the Council did not put in place a local scheme, then the statutory Default Scheme would apply.

4.5 The Council's Medium Term Financial Strategy as presented to the Executive on 14 October 2026 forecasts a shortfall in funding of £29.1 million for 2027/2028 and a cumulative shortfall of £38.9 million over the next four financial years. Therefore, in order to achieve a balanced budget for 2027/2028 and future years the Council will need to significantly reduce expenditure and/or significantly increase its income.

4.6 The Council Tax charged to residents includes the precept from the Police and Crime Commissioner for Bedfordshire, the Bedfordshire Fire and Rescue Authority and Town/Parish Councils. The Council's share of the overall Council Tax for 2026/2027 is 83%.

**Key Principles of the Local Scheme**

4.7 The Key Principles underpinning the current Local Council Tax Reduction Scheme are as shown below:

1. Council Tax Support should be provided to those households most in need of support and that would otherwise face financial difficulty in meeting the basic needs of the household.

2. Persons with the same circumstances should receive the same amount of support regardless of age, to the extent that regulations allow.

3. The total amount of Council Tax Support should be set at a level that is affordable within the Council's agreed budgets and that will not have a significant adverse effect on the overall funding available to the Council.

4. All members of households should contribute toward the household being able to pay the Council Tax where they have the financial means to do so.

5. Households with the means to pay the Council Tax, either because they have sufficient income or sufficient capital, should be required to pay the amount that is due.

6. Households residing in larger or more valuable properties should meet part of the cost of the Council Tax.

7. Persons making the transition from benefits to paid employment should be supported by continuing to provide Council Tax Support for a short time following the commencement of employment.

8. The Council will act diligently in the award of Council Tax Support and awards will only be made where the applicant provides sufficient evidence to support their application.

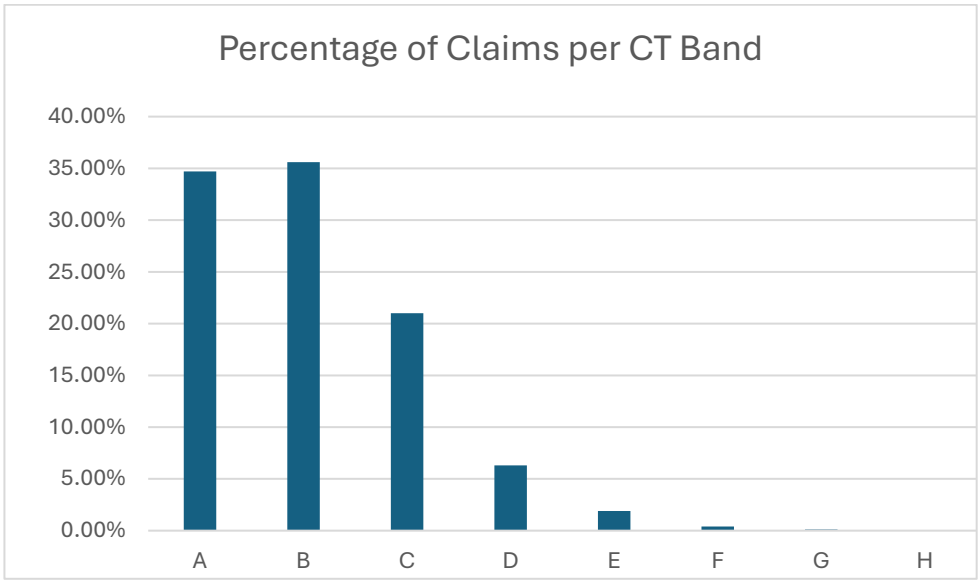
9. Persons obtaining welfare benefit or Council tax Support by fraud should not be supported in meeting the full cost of the Council Tax for a period of six months.

**Details of Current Awards of Council Tax Support**

4.8 There are currently 81,925 properties in the Borough assessed for Council Tax. As at 29 August 2026, when a detailed analysis was undertaken of Council Tax Support claims, there were 10,301 households receiving support. Therefore, around 12.57% of households receive support. This was made up of 3,234 pension-age recipients under the statutory scheme and 7,067 working-age households (around 8.6% of all households). The following information shows the position with awards of Council Tax Support to working-age households.

4.9 The majority of recipients of Council Tax Support, 91.23%, live in properties in Council Tax Bands A, B and C as shown below:

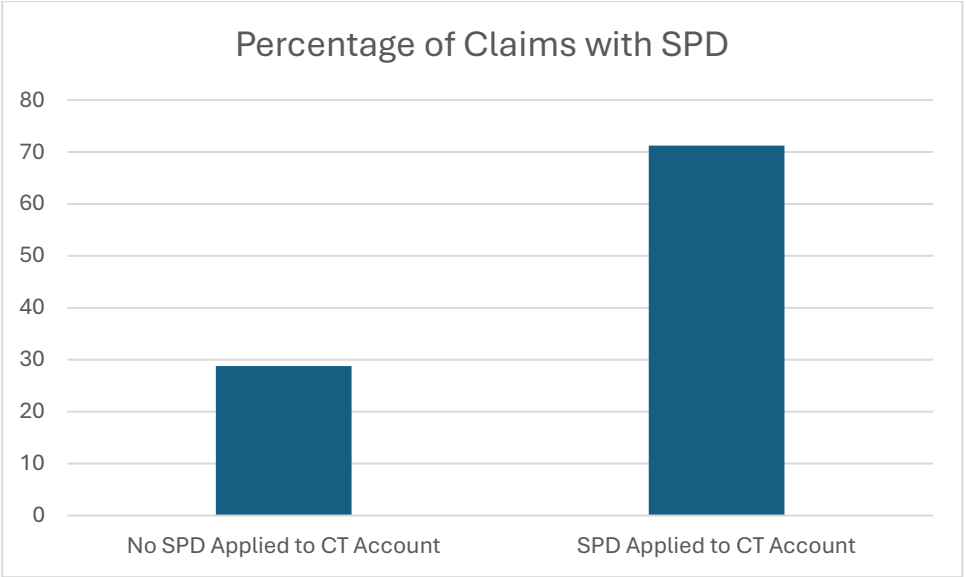
| Council Tax Band | Number of Households Receiving CTS | Percentage |
|---|---|---|
| A | 2,450 | 34.7% |
| B | 2,513 | 35.6% |
| C | 1,484 | 21.0% |
| D | 446 | 6.3% |
| E | 134 | 1.9% |
| F | 30 | 0.4% |
| G | 10 | 0.1% |
| H | 0 | 0.0% |
| Total | 7,067 | |




4.10 Where there is only one adult resident at a property (or all other adults are required to be disregarded under Council Tax regulations) the Council Tax is reduced by 25% through a single person discount. These discounts are applied to the Council Tax liability before calculating any entitlement to Council Tax Support.

4.11 The majority of households receiving Council Tax Support, 71.23%, also qualify for a single person discount as shown below;

| Council Tax Band | No Single Person Discount | Single Person Discount | Total |
|---|---|---|---|
| A | 320 | 2,142 | 2,462 |
| B | 781 | 1,834 | 2,615 |
| C | 597 | 904 | 1,501 |
| D | 211 | 237 | 448 |
| E | 76 | 57 | 133 |
| F | 19 | 16 | 35 |
| G | 7 | 3 | 10 |
| H | - | - | - |
| Total | 2,011 | 5,193 | 7,204 |
| % | 27.9% | 72.1% | |




**Non-Dependant Deductions**

4.13 Where there are adult's resident at a property other than the Council Taxpayer and their partner, those adults are referred to as "non-dependants" for the purposes of the Council Tax Reduction Scheme. In certain circumstances the amount of weekly Council Tax Support is reduced due to a non-dependant in the household. This is termed a non-dependant deduction, and the amount of the deduction depends on the person's income.

4.14 No non-dependant deduction is currently made in certain circumstances; for example, where the non-dependant is under 25 and in receipt of Universal Credit, where the Council Taxpayer is blind or where the Taxpayer receives certain disability related benefits.

**Taper Deductions**

4.15 Where the Council Taxpayer's and/or their partner's income is above a specified amount (generally more than they would be entitled to in welfare benefits) a reduction is applied to their weekly Council Tax Support. The deduction is currently 20% of their "excess" income, i.e. a deduction of £0.20 for each £1.00 of income above the threshold.

## 5. DETAILS

5.1 The Council, in common with many other local authorities, is facing a very challenging financial outlook with the need to significantly reduce expenditure and/or to generate additional income in order to remain sustainable and deliver essential local services.

5.2 The current local Council Tax Reduction Scheme for working-age applicants reduces the overall amount of Council Tax income by circa £9.22 million and income for the Council by circa £7.65 million in the current financial year. The award of Council Tax Support to working age applicants is discretionary, therefore, the Council may review and reduce the amount of support that it offers, thereby increasing income from Council Tax.

5.3 The Key Principles previously agreed by the Council include a requirement that:

The total amount of Council Tax Support should be set at a level that is affordable within the Council's agreed budgets and that will not have a significant adverse effect on the overall funding available to the Council.

5.4 The CIPFA resilience review conducted in 2025 concluded that the Council tax support scheme operated by the Council is generous in comparison to its neighbours. A more affordable scheme must, therefore, be developed whilst recognising that the most vulnerable residents of the borough need to be supported. Research has, therefore, been undertaken to review the Council Tax Support schemes in existence at a number of other Councils who are near neighbours and similar authorities. This benchmarking showed variations in how Councils have approached the scheme and variations in the maximum awards that apply. Whilst this makes direct comparisons difficult, the proposed scheme has been developed to ensure that the most vulnerable on low income or benefits are supported, and ensuring that the claimants in properties with Council Tax Bands A to D receive up to a maximum 90% of the net Council Tax liability.

5.5 In view of the very significant shortfalls in funding forecast in the Medium-Term Financial Strategy, the current Council Tax Reduction Scheme is no longer considered to be affordable. Therefore, it is proposed to review the amount of support that can be provided. In order to ensure that the views of Council Taxpayers and other residents can be taken into consideration in determining the Scheme to apply from the 2027/2028 financial year, this report recommends that the following proposed changes should be consulted upon.

Maximum Amount of Discount

5.6 It is proposed that a maximum amount of discount should be applied to all awards of Council Tax Support for working-age recipients.

5.7 This maximum amount is proposed at an amount equivalent to **90%** of the net Council Tax liability payable for Bands A to D and **73.8%** of the net Council Tax Liability payable for Bands E to H.

5.8 The following table shows the minimum payments that would be required under the proposed Scheme based on the average Council Tax for the Borough for the current year;

| Council Tax Band | BBC Council Tax[1] | Total Council Tax[2] | Payments Required - Weekly Equivalent Amount | | Annual Amount Payable | | Current minimum Liability in 2026/27 | |
|---|---|---|---|---|---|---|---|---|
| | | | No Single Person Discount | With Single Person Discount | No Single Person Discount | With Single Person Discount | No Single Person Discount | With Single Person Discount |
| **A** | £1,367.69 | £1,647.82 | £3.16 | £2.37 | £164.78 | £123.59 | £0.00 | £0.00 |
| **B** | £1,595.65 | £1,922.47 | £3.69 | £2.77 | £192.25 | £144.19 | £0.00 | £0.00 |
| **C** | £1,823.58 | £2,197.09 | £4.21 | £3.16 | £219.71 | £164.78 | £0.00 | £0.00 |
| **D** | £2,051.54 | £2,471.74 | £4.74 | £3.56 | £247.17 | £185.38 | £0.00 | £0.00 |
| **E** | £2,507.44 | £3,021.01 | £15.18 | £11.38 | £791.50 | £593.63 | £543.78 | £407.84 |
| **F** | £2,963.34 | £3,570.29 | £17.94 | £13.45 | £935.42 | £701.56 | £642.65 | £481.99 |
| **G** | £3,419.23 | £4,119.56 | £20.70 | £15.52 | £1,079.32 | £809.49 | £741.52 | £556.14 |
| **H** | £4,103.09 | £4,943.48 | £24.84 | £18.63 | £1,295.19 | £971.39 | £889.83 | £667.37 |

[1]this is the part of the Council Tax bill that goes to Bedford Borough Council, including the amounts that the Borough Council must pay to parish councils.

[2]this includes the part of the Council Tax bill that goes to the Police and Crime Commissioner for Bedfordshire and to Bedfordshire Fire and Rescue Authority.

5.9 This proposed approach to limiting the level of discounts awarded would ensure that the scheme is more affordable to the Council in the longer term. Households living in properties of lower value, in Council Tax Bands A to D, who are likely to be those households most in need of financial assistance, will continue to receive a discount of a larger proportion of their Council Tax bill.

Non-Dependant Deductions

5.10 All members of the household should contribute toward the household being able to pay the Council Tax, where they have the financial means to do so. It is proposed to retain the income cap for the weekly non-dependant income at £350.00. It is considered reasonable that where there are adults other than the Council Taxpayer and their partner living at a property, the household should pay more towards the cost of Council Tax.

5.11 It is proposed to continue to disregard income from child benefit, fostering allowance and maintenance payments for a child.

Capital / Savings / Investments

5.12 It is proposed that where the Claimant and/or Partner have £6,000, or more, in savings/capital/investments that they will have no entitlement to Council Tax Support. The current scheme allows savings up to £8,000.

There are currently 547 claims with a joint capital declared of £1.120m. An average of £2,048 per claim. With the current caseload 67 households would no longer qualify for Council Tax Support as they have £6,000 or more in savings/capital/investments. That is a total savings declare of £467,655 for this cohort.

Disability Related Benefits

5.12 It is not proposed to make any changes to the range of disability related benefits that are currently disregarded

Addition of Terminally Ill Discount to the Policy for the Award of Council Tax Discretionary Reductions

5.13 Section 13A of the Local Government Finance Act allows billing authorities to reduce the Council Tax payable after taking into account any discounts, disregards, reliefs and exemptions. This can be used for classes of case in which the liability is to be reduced. The Council currently operates such a scheme and it is proposed to add into the current scheme a Terminally Ill Discount which will be applicable where a member of the household is terminally ill and has a medical prognosis of less than six months to live.

The proposed amendment is in Section 5C of the draft policy in **Appendix B.** The purpose of introducing this discount is to alleviate the financial pressure associated with Council Tax at a time when households are facing exceptionally difficult circumstances. It recognises that a terminal illness can affect household income and bring additional costs, and would help residents and their families focus on care and practical arrangements rather than concerns about meeting their Council Tax liability. Including a specific provision within the existing discretionary reductions policy would also provide a clear and consistent basis for considering support for households in these circumstances.

Additional Provision for Discretionary Council Tax Reductions

5.14 It is recognised that the proposed amendments to the Scheme may result in an increase in applications for discretionary assistance with Council Tax liabilities. Accordingly, it is proposed that £0.050 million be allocated to a hardship fund, to be administered in accordance with the Policy for the Award of Council Tax Discretionary Reductions.

## 6. ALTERNATIVES CONSIDERED AND REJECTED

6.1 The alternative of not proposing any changes to the current scheme was considered and rejected due to the Council's overall financial position.

6.2 The alternative of proposing to limit the amount of support to lower levels was considered and rejected as this was not considered to be affordable to those residents in need of support with their Council Tax.

6.3 The option of introducing a banded Council Tax Support Scheme was considered and rejected because small changes in income could result in disproportionately large changes in entitlement, creating a ‘cliff-edge’ effect.

6.4 An increase to the taper rate was considered, in order that a larger proportion of a claimant’s income above the specified amount is used to pay Council Tax. A small rise in the taper rate did not yield any savings, after the additional costs of administering the change were considered. However, given that universal Credit is also reduced for income above the specified amount it was considered a larger increase in the taper rate may act as a disincentive to work.

## 7. KEY IMPLICATIONS

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|---|---|
| **7.1 Legal Issues** | The Local Government Finance Act 2012, section 13A, places a legal obligation upon the Council to agree and implement a local Council Tax Reduction Scheme. The scheme must specify the reductions which are to apply to amounts of council tax payable by;<br><br>(a) persons whom the authority considers to be in financial need, or<br>(b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need.<br><br>Before making changes to the Scheme, the Council is required to consult with persons the Council considers may have an interest in the scheme. The Supreme Court in 2014 upheld a judicial review application against the consultation process undertaken by the London Borough of Haringey when proposing changes to its Council Tax Reduction Scheme. The Court ruled that the consultation process was unfair and unlawful because consultees **had not been told that there were alternatives to the draft scheme** and that they should have been told about the availability of alternative options that could be considered to address its funding shortfall.<br><br>The Scheme must, by law, be agreed by a meeting of the Full Council and a Scheme must be agreed by 11 March in the financial year preceding the year to which the Scheme applies. The Council has broad discretion regarding the parameters of the Scheme for working-age households including the value of discounts that it wishes to award through the Scheme. However, any amendment to a Scheme must be made by 11th March in the financial year preceding the year to which the Scheme applies.<br><br>The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 require the Council to calculate entitlement to a Council Tax Support discount in a prescribed manner for applications made by persons of pensionable age.<br><br><u>Vulnerable Persons</u><br><br>In agreeing a local Council Tax Reduction Scheme, the Council must observe its statutory duties so far as relevant to vulnerable persons as set out in the following Acts: |

| | |
|---|---|
| | • The Equality Act 2010;<br>• The Child Poverty Act 2010;<br>• The Housing Act 1996.<br><br><u>Discretionary Discounts</u><br><br>Section 13 (1)(a) of the Local Government Finance Act 2012 gives the Council a general discretionary power to reduce the amount of Council Tax payable by any Council Taxpayer in its area. The Council has an agreed policy for the application of this power which is principally to assist person experiencing exceptional hardship. |
| **7.2 Policy Issues** | The Local Government Finance Act 2012 extended the range of discretion available to the Council in terms of the assistance provided to low-income working-age households in meeting the cost of Council Tax. The Council has an agreed Local Council Tax Reduction Scheme which is approved by Full Council and normally reviewed on an annual basis.<br><br>The Council has previously agreed, following extensive public consultation, the key principle that those households with the financial means to pay more towards the cost of Council Tax should do so, ensuring the households most in need of support can receive help. The proposed Scheme will ensure that this key principle continues to be supported whilst maintaining the overall financial sustainability of the Scheme. |
| **7.3 Resource Issues** | The award of Council Tax Support discounts under the Council Tax Reduction Scheme reduces the amount of Council Tax payable by qualifying households. Therefore, this reduces the amount of Council Tax revenue received by the Council and by precepting bodies.<br><br>The estimated effect of Council Tax Support expected to be awarded under the Scheme is taken into account by the Council when determining the Council Taxbase for the forthcoming year.<br><br>In the 2026/2027 financial year the current Local Council Tax Reduction Scheme has resulted in the award of Council Tax Support Discounts to a total value of £9.22 million. As at 30 August 2026, 7,067 working-age households were receiving a discount, with 5,744 receiving the maximum discount. |

| | |
|---|---|
| | Bedford Borough Council's share of the Council Tax charge, is 83% with the remaining 17% made up of the precepts from Police, Fire and Town/Parish councils. This equates to discounts of circa £7.65 million in respect of the Borough Council's element of the Council Tax.<br><br>It is estimated that the proposed changes to Council Tax will generate additional gross income in the region of £1.049 million (inclusive of all precepts), or £0.870 million excluding the all precepts.<br><br>It is anticipated that the proposed changes will result in additional administration at least in the short-term whilst residents become accustomed to the new arrangements. This includes staff resources to respond to appeals, billing and collection of Council Tax charges and responding to customer enquiries.<br><br>After allowing for additional administration costs and an additional contribution to the bad debt provision it is estimated that the Council's share of the additional income would be in the region of £0.585 million |
| **7.4 Risks** | The number and value of Council Tax Support claims varies constantly as households' circumstances change. Increases and decreases in the value of Council Tax Discounts awarded affects the overall Council Tax yield. Therefore, the figures provided in this report must be viewed as a best estimate at the time of writing.<br><br>In determining the maximum amount of Council Tax Support to be provided, there is a risk that the amount households are asked to pay becomes unaffordable, resulting in payments being withheld and increased levels of bad debt. |
| **7.5 Environmental Implications** | None identified as arising from the recommendation in this report. |
| **7.6 Equalities Impact** | In preparing this report, due consideration has been given to the Borough Council's statutory Equality Duty as set out in Section 149(1) of the Equality Act 2010, to have due regard to the need to:<br><br>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; |

| | |
|---|---|
| | (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;<br><br>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.<br><br>An equality analysis will be undertaken as part of the process of making recommendation to the Executive and Full Council following completion of the public consultation. This will enable consideration to be given to consultations responses, including any equalities impacts that are identified through the consultation process.<br><br>It should be noted that the proposals include:<br><br>• Continuing to disregard income from Child Benefit, Guardians Allowance, Fostering Allowance and maintenance payments for a child<br>• Continuing the existing disregard for certain disability benefits |
| **7.7 Impact on Families** | The proposed Scheme will continue to disregard income from Child Benefit, Fostering Allowance and any maintenance payments for a child to ensure that that income can be used for the benefit of children in the family. |
| **7.8 Community Safety and Resilience** | None identified as arising from the recommendation in this report. |
| **7.9 Impact on Health and Wellbeing** | Income that a person receives in certain disability benefits is not taken into account when assessing how much income they have for the purposes of calculating how much Council Tax they are entitled to. This ensures that benefits people receive to assist them with a disability do not reduce the amount of support they receive with the cost of Council Tax.<br><br>There are no changes proposed to the disregarded benefits. |

## 8. SUMMARY OF CONSULTATIONS AND OUTCOME

8.1 The following Council units or Officers and/or other organisations have been consulted in preparing this report:

Executive Director of Resources
Service Director for Governance (Monitoring Officer)
Manager for the Assessment Hub
Manager for the Collection Hub

### Public Consultation

8.2 Subject to the recommendation being approved public consultation will be undertaken to seek the views of residents and other interested parties regarding the proposal. In addition to making the consultation generally available to the public, proactive work will be undertaken to ensure that Council Taxpayers and residents likely to be affected by the proposal are informed of the consultation and have the opportunity to comment.

8.3 The consultation will also highlight the financial challenges facing the Council and the need to either increase income or reduce services to provide residents with broad information on which to base their responses. The consultation will include the following;

- Publicising the consultation on the Council's web site, social media platforms and other notifications
- Publicising the consultation in key Council buildings including Borough Hall, the Horne Lane Hub and libraries
- Making paper copies of the consultation available on request
- Notifying local third sector organisations
- Notifying parish councils and the major preceptors about the consultation
- Press releases

8.4 The outcome of the consultation will be reported to the Executive for consideration in taking the final decisions regarding the proposal to be recommended to Full Council for approval.

## 9. WARD COUNCILLOR VIEWS

9.1 The proposed Scheme applies equally to all wards and is required to be agreed by a meeting of the Full Council. Therefore, ward councillor views have not been sought.

9.2 The final Scheme must be approved by a meeting of the Full Council; therefore, all Members of the Council will have the opportunity to participate in agreeing a final Scheme.

## 10. CONTACTS AND REFERENCES

| | |
|---|---|
| Report Contact Officer | *Linda Wright – Manager for the Assessment Hub*<br>*E-mail: linda.wright@bedford.gov.uk*<br><br>*Rhiain Bevan – Service Director for Finance*<br>*E-mail:* rhiain.bevan@*bedford.gov.uk* |
| File Reference | *N/A* |
| Previous Relevant Minutes | *N/A* |
| Background Papers | *Council Tax Reduction Scheme for 2025/2026*<br><br>Apply for Housing Benefit and Council Tax Support \| Bedford Borough Council<br><br>*Discretionary Reduction Policy*<br><br>*https://www.bedford.gov.uk/council-tax/manage-and-pay-your-council-tax/discounts-and-exemptions/council-tax-discretionary* |
| Appendices | *Appendix A – Draft Council Tax Reduction Scheme*<br>*Appendix B – Draft Policy for the Award of Discretionary Council Tax Reductions* |

BEDFORD BOROUGH COUNCIL

# Council Tax Reduction Scheme

## (1 April 2027 - DRAFT)

1. Introduction
2. Key Principles
3. Basis of the Scheme
4. Maximum Amount of Discount
5. Classes of Person to Whom the Scheme Applies
Vulnerable Persons
6. Other Discounts, Relief and Exemptions
7. Calculation of Entitlement
Relevant Non-dependant Deductions
8. Requirement for Applications
Backdating of Entitlement
9. Changes of Circumstances
10. Extended Reductions
11. Review, Revisions and Cancellation of Awards
Annual Reviews
12. Income
13. Capital
14. Applicable Amounts
15. Appeals
16. Reductions Under Section 13A(1)(c) LGFA 1992
17. Persons Obtaining or Attempting to Obtain Council Tax Support by Fraud

# 1. Introduction

1.1 The Council, as a Council Tax billing authority, has a legal obligation to put in place a local Council Tax Reduction Scheme to provide Council Tax Support to households on a low income.

1.2 **Bedford Borough Council's local Council Tax Reduction Scheme from 1 April 2027 shall be the scheme as set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 as amended by regulation and also amended as set out in this document. The local Scheme as set out in this document shall be applied in respect of all applications for Council Tax Support except to the extent that the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 require otherwise.**

1.3 It is the Council's general intention in agreeing this scheme that the proportion of the Council Tax that a Council Taxpayer entitled to Council Tax Support under this scheme is required to pay shall be the same proportion as that person would have been required to pay under the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 except in those circumstances specifically set out otherwise in this document.

1.4 The administrative processes for applying for Council Tax Support, evaluating entitlement, notification of entitlement and submission of an appeal shall continue broadly in the manner in which the administration processes in respect of Council Tax Benefit were applied at 31 March 2013 but subject to any specific requirements set out in this Scheme.

1.5 In the event of a dispute regarding the application of any requirements contained in this Scheme consideration shall be given to the explanatory note and policy intent set out in this Scheme and the requirement shall be construed accordingly.

## 2. Key Principles

2.1 The Bedford Borough Council Local Council Tax Reduction Scheme is based upon the following key principles;

A. Council Tax Support should be provided to those households most in need of support and that would otherwise face financial difficulty in meeting the basic needs of the household.

B. Persons with the same circumstances should receive the same amount of support regardless of age, to the extent that regulations allow.

C. The total amount of Council Tax Support should be set at a level that is affordable within the Council's agreed budgets and that will not have a significant adverse effect on the overall funding available to the Council.

D. All members of households should contribute toward the household being able to pay the Council Tax where they have the financial means to do so.

E. Households with the means to pay the Council Tax, either because they have sufficient income or sufficient capital, should be required to pay the amount that is due.

F. Every household should contribute towards the Council Tax, with those residing in larger or more valuable properties being required to contribute a larger part of the cost of the Council Tax.

G. Persons making the transition from benefits to paid employment should be supported by continuing to provide Council Tax Support for a short time following the commencement of employment.

H. The Council will act diligently in the award of Council Tax Support and awards will only be made where the applicant provides sufficient evidence to support their application.

I. Persons obtaining welfare benefit or Council Tax Support by fraud should not be supported in meeting the full cost of Council Tax for a period of six months.

## 3. Basis of the Scheme

**The following information describes the Bedford Borough Council local Council Tax Reduction Scheme and must be interpreted with reference to the Key Principles and the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012.**

Annual Uprating of Applicable Amounts etc.

3.1 The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 set out a default scheme as at 1 April 2013 and the Council's local Scheme is the Scheme as set out in those regulations as amended by the requirements of this document. Contained within the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 are various amounts to be taken into account in calculating entitlement to Council Tax Support under that Scheme. These amounts are the relevant amounts as at 1 April 2013 and it is a requirement of the Council's local Scheme that these amounts should be *reviewed annually and, where appropriate, uprated each year to take account of inflation*. Since the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 will not be amended in future years, where an amount defined in those regulations is also defined under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 then for the purposes of the Council's local Scheme the amount shall be that amount as currently defined under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and any subsequent amendments but subject to any further modification as specified in this Scheme.

3.2 Where, in respect of any financial year an amount is not prescribed under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, as amended, but a corresponding amount is prescribed for the purpose of Housing Benefit, then that amount shall be used for the purpose of this Scheme for financial years commencing on or after 1 April 2016. Otherwise, where no amount is prescribed, the amount shall be adjusted in accordance with the change in the Consumer Price Index as at the end of September prior to the start of the relevant financial year (where the change in the Consumer Price Index is a negative figure there shall be no adjustment).

Revocation of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012

3.3 In the event the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 are revoked or otherwise repealed or annulled, for the purpose of this Scheme reference to the Council Tax Reduction Schemes (Default Scheme)

(England) Regulations 2012 shall be construed as referring to the regulations as they stood immediately before the revocation subject to 3.1 above.

Explanatory Notes and Policy Intent

3.4 The policy intention is that the amounts used in determining eligibility should be reviewed annually and, where appropriate, uprated in accordance with inflation. It is intended that the applicable amounts, premiums etc. should remain in-step with the corresponding amounts for the purpose of other benefits such as Housing Benefit, Universal Credit etc.

## 4. Maximum Amount of Discount

4.1 Paragraph 1 (a) of section 29 of Part 7 of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 shall be replaced by the following text where a reduction is awarded due to the person being a person entitled to a reduction under Class D or Class E as defined in Part 4 to the Schedule to the Regulations.

> *In respect of a dwelling entered in the Council Tax Valuation List with a band of A, B, C, or D is 90% of the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act;*
>
> *In respect of a dwelling entered in the Council Tax Valuation List with a band of E, F, G, or H is 73.8% of the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act;*

Explanatory Notes and Policy Intent

4.2 The policy intention of this amendment is to give effect to Key Principles D and F, that all members of the household should contribute towards the cost of the Council Tax, and that households residing in larger or more valuable properties should meet a larger part of the cost of Council Tax. The amendment is intended to limit the Council Tax Support discount to a maximum of 90% of the net Council Tax for properties in valuation bands A, B, C and D and 73.8% of the net Council Tax for properties in valuation bands E, F, G or H.

## 5. Classes of Persons to Whom this Scheme Applies

5.1 The classes of persons to whom this Scheme applies are those classes set out in Part 4 of the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 with the exception of those persons in paragraph 18 of Part 4; Class F alternative maximum Council Tax reduction – persons who are not pensioners.

5.2 Class F in its entirety shall be omitted from the Council's local Council Tax Reduction Scheme and all consequential references in the regulations shall also be omitted.

5.3 The other classes of persons that are excluded from the default scheme set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 shall be excluded from this local Scheme.

Vulnerable Persons

5.4 For the purposes of this Scheme the following classes of person are considered to be vulnerable;

Persons who are entitled to support under this Scheme and who;

a) Have a severe disability which prevents them from undertaking paid employment or significantly restricts their ability to undertake paid employment; and/or
b) Are a lone parent that would find it difficult to undertake paid employment because they are the sole carer for a young child that it not yet of school age; and/or
c) A person that is, or has been in the recent past, a victim of domestic abuse or violence.

5.5 It is considered that the provisions contained within the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 as amended by this local Scheme provide for an appropriate level of Council Tax Support to be provided to vulnerable persons.

## 6. Other Discounts, Reliefs and Exemptions

6.1 In accordance with the requirements of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 any other discounts, relief or exemptions, with the exception of reductions under Section 13A(1)(c) Local Government Finance Act 1992, to which the Council Taxpayer(s) are entitled shall be applied first against the Council Tax liability in order to determine the eligible Council Tax Liability before an assessment is made of the applicant's entitlement to a Council Tax Support discount.

## 7. Calculation of Entitlement

7.1 Entitlement to a Council Tax Support discount shall be calculated in accordance with the requirements of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 except to the extent that a different calculation is required as specified in this Council Tax Support Scheme.

Non-Dependant Deductions

7.2 Non-dependant deductions shall be made in accordance with the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 as amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012 or any subsequent amendments and the requirements of section 3 of this Scheme. However, where a deduction is to be made the amount of each deduction shall be calculated in accordance with the following criteria;

| **Non-Dependant's Weekly Gross Income (Earned Income)** | **Weekly Deduction (for 2026/27) *** | **Daily Deduction (for 2026/27) *** |
|---|---|---|
| Less than £95.55 | Nil | Nil |
| Between £95.55 and £99.99 | £9.41 | £1.34 |
| Between £100.00 and £199.99 | £18.94 | £2.71 |
| Between £200.00 and £349.99 | £25.84 | £3.69 |
| Greater than £349.99 | An amount equal to the weekly Council Tax Support discount prior to the non-dependant deduction | An amount equal to the daily Council Tax Support discount prior to the non-dependant deduction |

**** the figures shown are the deductions for 2026/27, the figures for 2027/28 will be calculated in accordance with paragraph 7.3 below.***

7.3 Unless otherwise determined though a review of this Policy, the deductions shall be amended from 1 April each year by an amount equal to the percentage change in "Whole Economy - Single Month" average weekly earnings published in the month of December in the preceding financial year as published by the Office of National Statistics in the Average Earnings Index (or any successor body with responsibility for publication of the index).For any year where the relevant change in average weekly earnings is less than zero there shall be no change to the deduction rates.

Explanatory Notes and Policy Intent

This amendment is intended to give effect to Key Principle D and E. It is intended that the amount of the non-dependant deduction shall be greater than the amount specified in the regulations and shall be an amount determined by reference to the gross earned income of the non-dependant as shown in the table. Deductions should start where the non-dependant's income exceeds the amount that a person aged 25 or over would receive in Universal Credit. Where the non-dependant's weekly income exceeds £349.99 it is considered that the household has sufficient income to meet the full cost of Council Tax and no Council Tax Support discount should be awarded.

## 8. Requirement for Applications

8.1 The process for making applications shall be as set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012. In addition;

8.2 Subject to any legal requirements the Council may waive the requirement for a resident to complete an application form where it is satisfied that it has sufficient evidence to enable a decision on eligibility to be made in accordance with this Scheme.

8.3 Subject to any legal requirements persons entitled to Council Tax Benefit in respect of 31 March 2013 shall be considered to have made an application for a Council Tax Support Discount. A calculation of their entitlement to a Council Tax Support Discount will be made based on the information provided in respect of their application for Council Tax Benefit as applies at 31 March 2013.

Backdating of Entitlement

8.4 Applications for backdating of entitlement will be considered in accordance with the provisions set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and in particular sections 111 and 112 of Part 14 of the Schedule to those regulations.

Explanatory Notes and Policy Intent

It is intended that in accordance with the Default Scheme arrangements consideration will be given to backdating awards for up to six months for persons who are not pensioners, and who have shown good cause.

## 9. Changes of Circumstances

9.1 Council Taxpayers in receipt of a Council Tax Support discount are required to notify the Council within one calendar month of any change in circumstances of any member of the household that may affect entitlement to the discount.

9.2 The duty to notify the Council of changes in circumstances shall be as set out in section 115 of Part 14 of the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012.

9.3 Changes of circumstances shall take effect as set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012.

## 10. Extended Reductions

10.1 In certain circumstances persons may be entitled to extended reductions (i.e. a discount will continue to be awarded for a short period where the person would not otherwise continue to qualify for the same amount of support).

10.2 Extended reductions for persons commencing paid employment or self-employment are considered to be an important aspect of work incentive since an award prevents the immediate issue of increased Council Tax demands at a time when the person is adjusting to new financial circumstances.

10.3 For the purposes of this Scheme extended reductions will be awarded in accordance with the requirements set out in the Council Tax Reduction Schemes (Default Scheme) Regulations 2012.

## 11. Revision, Review and Cancellation of Awards

11.1 The Council will revise, review and cancel Council Tax Support Discounts in accordance with the requirements contained in the

Council Tax Reduction Schemes (Default Scheme) Regulations 2012.

11.2 In addition and subject to any regulatory requirements, the Council may contact persons in receipt of awards periodically to review their entitlement. Where entitlement is reviewed the person will be required to provide current evidence to support the circumstances of their claim.

11.3 Should the information requested not be provided within one calendar month of the request the Council may withdraw the Council Tax Support discount with effect from the day on which it has reason to believe a change in circumstances affecting entitlement may have occurred. A review of entitlement will not be conducted more frequently than once in any six month period except where the Council has reason to believe that a change of circumstances has occurred more recently.

Annual Reviews

11.4 All awards will be subject to an annual review with the commencement of each financial year. Annual reviews will take account of any changes to applicants' Council Tax liability, changes agreed by the Council to this Scheme, amendments to applicable amounts or other financial thresholds and changes to income, etc. Where the Council Tax Reduction Schemes (Default Scheme) Regulations 2012 are amended from the commencement of a financial year the amendments shall be incorporated into the annual review.

## 12. Income

12.1 For the purposes of this Scheme a person's income shall be determined in accordance with the Council Tax Reduction Schemes (Default Scheme) Regulations 2012. However, any type of income which was disregarded at the discretion of the Council, in part or in whole, for the purposes of Council Tax Benefit as at 31 March 2013 shall also be disregarded for the purposes of this Scheme to the extent that the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012 allow.

12.2 To the extent that the Council Tax Reduction Schemes (Default Scheme) Regulations 2012 allow; in determining for the purpose of this Scheme a person's earnings from employment or self-employment it shall be assumed that those earnings are not less than the relevant minimum wage that would be paid to a person providing the same service.

Explanatory Notes and Policy Intent

12.3 The Council has discretion to disregard in full war pensions for the purposes of Council Tax Benefit. The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012 appear to place a restriction on the amount of income that may be disregarded. It is the Council's intention that the same amounts of income should be disregarded under the Council Tax Reduction Scheme to the extent that regulations allow. Further provisions in respect of war pensions are made under Section 16 of this Scheme.

12.4 It is intended that a person shall not benefit under this Scheme from declaring an income from employment or self-employment that is less than the minimum wage that should be earned for such work.

## 13. Capital

13.1 A person's capital for the purpose of this Scheme shall be determined in accordance with the Council Tax Reduction Schemes (Default Scheme) Regulations 2012 but the amount specified under paragraph 23 (1) of Part 5 of the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 shall be £6,000 except where the Council Tax Reduction Schemes (Prescribed Requirement) Regulations 2012 prescribe otherwise.

13.2 Where the regulations allow that the value of a capital asset may be disregarded for a period of time considered to be reasonable for that person to complete the sale of the asset; for the purpose of this Scheme the maximum amount of time that shall be considered to be reasonable shall be twelve calendar months from the commencement of entitlement to Council Tax Support, except where the Council Taxpayer is able to show that there is good cause for a longer period to be considered reasonable.

Explanatory Notes and Policy Intent

13.3 It is the intention that where the regulations allow the Council discretion to determine the amount of Council Tax Support that no support shall be awarded where the applicant has capital, as determined in accordance with the regulations and point 13.2 above, in excess of £6,000

## 14. Applicable Amounts

14.1 For the financial year commencing 1 April 2013 applicable amounts shall be those amounts set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 as amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012 and any further amendments.

14.2 It is a requirement of this local Scheme that applicable amounts should be reviewed annually and, where appropriate, uprated each year to take account of inflation. Should the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 not be amended in future years, where an amount defined in those regulations is also defined under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) then for the purposes of the Council's local Scheme the amount shall be that amount as currently defined under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and any subsequent amendments.

14.3 Where, in respect of any financial year an amount is not prescribed under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, as amended, but a corresponding amount is prescribed for the purpose of Housing Benefit, then that amount shall be used for the purpose of this Scheme for financial years commencing on or after 1 April 2016 subject to any other requirements of this Policy. Otherwise, where no amount is prescribed, the amount shall be adjusted in accordance with the change in the Consumer Price Index as at the end of September prior to the start of the relevant financial year (where the change in the Consumer Price Index is a negative figure there shall be no adjustment).

## 15. Appeals

15.1 Appeals against a decision made by the Council under this Scheme must be made in accordance with the requirements of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and the procedure set out in those regulations.

15.2 Subject to any regulatory requirements, an appeal will normally only be considered where it is received within one calendar month of the date on which notification of the decision is issued. Appeals received at a later date may be considered only where the appellant can demonstrate to the Council's satisfaction that there is good cause for the appeal to be submitted more than one calendar month after the date on which notification of the decision was issued.

## 16. Reductions Under Section 13A(1)(c) Local Government Finance Act 1992

16.1 An application requesting the Council to use its discretionary powers under Section 13A(1)(c) Local Government Finance Act 1992 to reduce the amount of Council Tax payable must be made either in writing or by electronic communications. It may be requested that an application is made in a specific format or using a form that it provides for the purpose of making an application. Such evidence as the Council considers reasonable to enable it to make a decision regarding an application must also be provided upon request.

16.2 Applications must state the reason for the request and should supply evidence to support the request.

16.3 Applications will be considered in accordance with the policy agreed by the Council for the consideration of an award under Section 13A(1)(c) of the Local Government Finance Act 1992.

War Pensions

16.4 It was the Council's policy under the Council Tax Benefit regulations that where discretion was allowed to disregard in full any income from war pensions. To the extent that Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 and the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 allow, those sums shall also be disregarded for the purpose of this Council Tax Reduction Scheme.

16.5 Where the law does not allow for such sums to be disregarded then a discount shall be awarded under Section 13A(1)(c) Local Government Finance Act 1992 so that the amount of Council Tax the person is required to pay for any day shall be the same sum that the persons would be required to pay were the income disregarded.

Explanatory Note and Policy Intent

16.6 It is the intention that a person in receipt of a war pension which is disregarded by the Council for the purpose of Council Tax Benefit should not be required to pay a greater amount of Council Tax due to the requirement of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 or the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012. In the event that a person would be required to pay a greater amount then a discount is to be

applied under Section 13A(1)(c) Local Government Finance Act 1992 to ensure that the person does not pay more than they would be required to pay if the sums were disregarded.

## 17. Persons Obtaining or Attempting to Obtain Council Tax Support by Fraud

17.1 Where a person is entitled to Council Tax Support because they are a person in class D or E under Part 4 of the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and the day is a day not more than 6 months after the date on which a sanction for fraud in respect of Council Tax Support, Council Tax Benefit or Housing Benefit was imposed upon or accepted by that person or a person who is on the day jointly liable to pay the Council Tax then Paragraph 1 (a) of section 29 of Part 7 of the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 shall be replaced by the following text.

> *A is 50.0% of the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and*

Policy Intention and Explanatory Notes

17.2 In accordance with its Anti-Fraud Strategy the Council will take a zero tolerance approach to persons obtaining, or attempting to obtain, Council Tax Support by fraud but this Scheme is without prejudice to the proper application to individual criminal cases of the CPS Code for Crown Prosecutors.

17.3 Robust verification procedures will be put in place to minimise the risk of fraudulent claims being accepted and proactive measures will be established to identify and investigate suspicious claims.

17.4 Where fraud is proven the full range of sanctions available in law will be considered and applied in the appropriate circumstances. In addition the award of Council Tax Support will be restricted to a maximum discount of 50.0% for six months following the imposition of a sanction for fraud.

BEDFORD BOROUGH COUNCIL

# Policy for the Award of Discretionary Council Tax Reductions

## Under Section 13A(1)(c) Local Government Finance Act 1992 (Effective from 1 April 2027)

**April 2027**

**POLICY FOR THE AWARD OF COUNCIL TAX DISCRETIONARY REDUCTIONS**
**Under Section 13A(1)(c) Local Government Finance Act 1992**

**This Policy shall apply in respect of decisions made on or after 1 February 2016**

## 1. Background

1.1 Section 13A(1)(c) of the Local Government Finance Act allows a billing authority to reduce the Council Tax payable after taking into account any discounts, disregards, reliefs, and exemptions. It can be used for individual cases or the Council can determine classes of case in which liability is to be reduced.

## 2. Statement of objectives

2.1 The Council will consider using its powers to reduce Council Tax liability for any Council Tax payer or class of payer. The Council will treat all applications on their individual merits, however, subject to section 6 below, some or all of the following criteria should be met for each case:

- There must be evidence of financial hardship or personal circumstances that justifies a reduction in Council Tax liability.
- The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application.
- The taxpayer has applied for Council Tax Support (if the dwelling is the taxpayer's sole or main residence).
- The taxpayer has applied for all other eligible, discounts, reliefs and exemptions.
- The taxpayer does not have access to other assets that could be used to pay Council Tax.
- The taxpayer can demonstrate that the current circumstances are unlikely to improve in the following 12 months, making the payment of Council Tax extremely difficult.
- The Council's finances, taking into account the effect on Council Tax yield, allow for a reduction to be made.
- It is reasonable for the Council to award a reduction having regard to the interests of other local Council Tax payers.

2.2 A Discretionary Reduction should not normally be awarded where the outstanding Council Tax has arisen as a result of fraud by the taxpayer or the taxpayer has failed to provide information promptly.

## 3. Applying for a Discretionary Reduction

3.1 An application requesting the Council to use its discretionary powers under Section 13A(1)(c) Local Government Finance Act 1992 to reduce the amount of Council Tax payable must be made either in writing or by electronic communications. It may be requested that an application is made in a specific format or using a form that is provided for the purpose of making an application. Such evidence as the Council considers reasonable to enable it to make a decision regarding an application must also be provided upon request.

3.2 Applications must state the reason for the request and should supply evidence to support the request.

3.3 Applicants are required to provide all information reasonably requested by the Council. No reduction will be awarded in cases where information reasonably requested by the Council is refused or has not been supplied.

3.4 The Council may, at its sole discretion, waive the requirement for a written application where is it satisfied that it holds sufficient evidence to support a decision to make an award of a discretionary reduction in accordance with the other requirements of this Policy.

## 4. Determination of Applications for Discretionary Reduction

4.1 Applications which relate, or potentially relate, to a class or classes of case (for example to grant an exemption to dwellings in a locally flooded area) will be determined by the Executive following consideration of a report from the Finance Portfolio Holder and Chief Finance Officer.

4.2 The Council's Chief Finance Officer shall designate suitably experienced and qualified officers to determine applications and requests for review of decisions in respect of individual cases. In making a determination under this Policy the decision maker shall have due regard for the requirements of the Policy.

4.3 Any Discretionary Reduction awarded will normally be a percentage of the net Council Tax liability (i.e. the Council Tax payable after taking into account any exemption, discount, disregard, or relief) for a specific period. The reduction may be up to 100% of the Council Tax liability where this is considered appropriate having regard to the individual circumstances of the application.

## 5. War Pensions

5.1 It was the Council's policy under the Council Tax Benefit regulations where discretion was allowed to disregard in full any income from war pensions. To the extent that Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 and the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 allow, those sums shall also be disregarded for the purpose of the Council Tax Reduction Scheme.

5.2 Where the law does not allow for such sums to be disregarded then a discount shall be awarded under Section 13A(1)(c) Local Government Finance Act 1992 so that the amount of Council Tax the person is required to pay for any day shall be the same sum that the persons would be required to pay were the income disregarded.

## 5A. Young Care Leavers

5A.1 For the purpose of this Policy a "young care leaver" is any person who;

(a) was in the care of Bedford Borough Council for at least thirteen weeks from the age of 14 years and who was still in the care of Bedford Borough Council (looked after) at the ages of age 16 or 17 years, and
(b) Has a gross annual income of less than £50,000 , and
(c) Has capital (as defined for the purpose of the Council Tax Reduction Scheme) or less than £100,000

For the purpose of this Policy a person shall cease to be a "young care leaver" on 1 April following their 25th birthday.

5A.2 Where on any day all the persons liable to pay the Council Tax are young care leavers (in accordance with this policy) a discretionary discount of 100% should be applied.

5A.3 Where on any day one of more of the persons liable to pay the Council Tax for a property is a young care leaver (in accordance with this policy) a discretionary reduction shall be applied. The reduction shall be a percentage of the Council Tax this is payable calculated as follows:

$$\frac{\text{Number of young care leavers liable to pay the Council Tax for the property}}{\text{Total number of persons jointly and severally liable to pay the Council Tax for the property}} \times 100$$

5A.4 Where on any day a young care leaver (in accordance with this policy) is resident at a property and after any reduction is applied in accordance with 5A.2 and 5A.3 the Council Tax payable is more than would be the case should the young care leaver not a resident, then a reduction shall be awarded so that the Council Tax payable for the day is no more than would be payable if the young care leaver was not a resident.

5A.5 Where the Council is satisfied from its records or other information available to it that a person meets the criteria to be regarded as a "recent care leaver" for the purpose of this policy, a discount shall be awarded in accordance with this section, 5A, without the need for an application to be made. However, nothing in this section shall prevent the requirement for reasonable enquiries to be made if there is any doubt as to the person meeting the criteria in this section.

## 5B. Following the Death of a Council Tax Payer with a Resident "Live-in-Carer"

5B.1 This section of the policy shall apply In respect of a property where the Council Taxpayer has died and:

i. They were the only resident of that property who was liable to pay the Council Tax at the time of their death, **and**
ii. The only other resident of the property at the time of their death was a "live-in-carer"

5B.2 References to persons liable to pay the Council Tax refers to any person who would be liable to pay the Council Tax in accordance with the Local Government Finance Act 1992 regardless of whether or not a Council Tax demand notice has been issued to that person.

5B.3 Where the "live-in-carer" is a person who is a professional carer and who is employed by, or the placement has been arranged through, an organisation regulated by the Care Quality Commission this will be accepted as sufficient evidence that the residency was for the purposes of providing care. Where live-in-care has been provided through other arrangements the Council will require evidence to show that the residence was solely for the purpose of providing care.

Discounts to be Awarded

5B.4 Where the live-in-carer becomes liable to pay the Council Tax, a discount of 100% of the Council Tax liability shall be awarded for 28 days. Should the carer remain resident after that time they may claim Council Tax Support in the normal manner if they wish to receive assistance with the cost of Council Tax.

5B.5 In all other circumstances, an amount to reduce the Council Tax payable to the amount that would have been payable had the carer not been resident at the time the Council Tax payer died (i.e. an amount to equal the reduction in liability that would otherwise have applied under the statutory class F exemption).

## 5C. Terminally Ill Discounts

5C.1 This section of the Policy shall apply where a member of a household is terminally ill and has a medical prognosis of less than six months to live. This includes:

(a) the person liable to pay the Council Tax;
(b) their partner; or
(c) a dependent child.

The property must be within the Council's area and the terminally ill person must occupy the property as their sole or main residence.

5C.2 Eligibility shall be supported by a completed SR1 form and confirmation from an appropriately qualified medical professional that the terminally ill person has a prognosis of less than six months to live. The Council may request further information where necessary to determine eligibility.

Discounts to be Awarded

5C.3 Where the criteria in this section are satisfied, a discretionary reduction of up to 100% of the net Council Tax liability shall be awarded. The net liability shall be calculated after taking into account any applicable statutory discounts, disregards, reliefs and exemptions.

5C.4 Where Council Tax Reduction Scheme (CTRS) support is already in payment, a further discretionary reduction of up to 100% of the remaining Council Tax liability may be awarded.

5C.5 The discount shall normally commence from the date the SR1 form was issued, but shall not commence before 1 April 2027, when this scheme is introduced.

Period of Award

5C.6 The discount shall be awarded for a period of up to 12 months from the date the award takes effect, notwithstanding that the medical prognosis is less than six months to live.

5C.7 Where the terminally ill person remains resident at the property and the eligibility criteria continue to be met, a further application may be made before the end of the award period. Each application shall be considered on its merits and must be supported by a valid SR1 form and confirmation that the medical eligibility criteria continue to be met. A further award shall not be automatic.

5C.8 The award shall cease on the earliest of the following:

(a) the end of the 12-month award period;
(b) the last day of the month falling two months after the date of the terminally ill person's death;
(c) the date the terminally ill person ceases to occupy the property as their sole or main residence; or
(d) the date the Council Tax liability at the property ends.

5C.9 The condition relating to residence at the property in 5C.8(c) shall not apply where the terminally ill person temporarily moves to a hospice, hospital or another setting to receive end-of-life care, provided the property remains their sole or main residence.

5C.10 The Council must be notified of any change in circumstances that may affect entitlement to the discount.

## 6. Awards outside the Scope of this Policy

6.1 The Council does not wish to unduly fetter its discretion and recognises that from time to time exceptional circumstances may arise where it is appropriate to award a discretionary reduction outside the criteria set out in this Policy.

6.2 The Finance Portfolio Holder (or other person authorised through the Council's Constitution) may determine an award outside the scope of this policy if satisfied that there are very exceptional circumstances that justify an award having regard to the interests of other local Council Tax payers.

## 7. Period of Award

7.1 The award of any reduction will not normally be backdated to reduce liabilities in respect of which a demand notice was first issued more than 12 months prior to the date that the application is received by the Council. In exceptional circumstances an award may, within the scope of this Policy, be backdated beyond 12 months where the applicant can demonstrate good cause for not applying earlier.

7.2 The award of a reduction will normally be considered as assistance of a temporary nature and the Council would not normally award a reduction indefinitely although each case would be considered on its own merits.

7.3 The award of a reduction will normally cease at the end of the financial year unless an earlier date is specified, but an applicant is not precluded from reapplying for a further award in subsequent years.

## 8. Notification of Awards

8.1 The Council will normally determine applications within two months of the application and all supporting information being received, and the decision will be notified to the applicant as soon as practicable thereafter.

## 9. Action to Recover Unpaid Council Tax whilst a Decision is Pending

9.1 There is no entitlement to withhold the payment of Council Tax pending the determination of an application or a request of a review. Receipt of an application for a reduction will not negate in any way the taxpayer's obligation to pay the Council Tax as demanded. If a taxpayer has overpaid Council Tax it will be refunded.

9.2 The Council may, at its sole discretion, agree not to take action to enforce payment whilst an application is being considered.

## 10. Review of Decision

10.1 The Council will accept a taxpayer's request for a further review of its decision. Applicants may request a review within a calendar month of the issue of the letter notifying them of the Council's decision. Such requests must be made in writing and must give the reasons why it is believed the decision should be amended. The Council can, at its discretion, allow such representation to be made electronically. New or additional information may be included, but only if it is relevant to the decision making process.

10.2 A person aggrieved by a decision made regarding an application for a Discretionary Reduction may submit an appeal against the decision to the Valuation Tribunal where either:

(a) the aggrieved person is notified in writing by the Council that the Council believes the request for review is not well founded, but the person is still aggrieved;
(b) the aggrieved person is notified in writing, by the Council, that steps have been taken to deal with the request for a review but the person is still aggrieved;

(c) the period of two months, beginning with the date of service of the aggrieved person's notice, has ended without his being notified under paragraph (a) or (b) above.

10.3 Request for a review of the Executive's decision in respect of a class or classes of case can only be made by a judicial review as the Council would be exercising a discretionary power.

## 11. Policy review

11.1 The Policy will be reviewed regularly as considered appropriate to take account of operational adjustments and or changes to legislation and at least once every five years.