

# **Council Tax Reduction Scheme**

(Proposed Scheme from 1 April 2025)

---

---

**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 2025 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;
- 2 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.
  - 3 Persons with the same circumstances should receive the same amount of support regardless of age, to the extent that regulations allow.
  - 4 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 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.
  - 6 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.
  - 7 Households residing in larger or more valuable properties should meet part of the cost of the Council Tax.
  - 8 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.
  - 9 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.
  - 10 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, updated 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, Jobseekers Allowance 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 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 82% 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 Principle F, that households residing in larger or more valuable properties should meet part of the cost of Council Tax. The amendment is intended to limit the Council Tax Support discount to a maximum of 82% 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;

Note; the figures shown are for the 2024/25 financial year and will be updated for 2025/2026 in accordance with paragraph 7.3.

<b>Non-Dependant's Gross Income</b>	<b>Weekly Deduction (for 2024/25)</b>	<b>Daily Deduction (for 2024/25)</b>
Less than £90.50	Nil	Nil
Between £90.50 and £99.99	£8.47	£1.21
Between £100.00 and £199.99	£17.04	£2.43
Between £200.00 and £349.99	£23.24	£3.32
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

- 7.3 Unless otherwise determined through 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 for 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 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 Jobseekers Allowance. Where the non-dependant's 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.

It is intended that deduction rates should increase each year in-line with increases in average earnings.

## 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

- 8.5 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 for up to three months for persons who are pensioners.

## 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 of 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 £8,000 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 application has capital, as determined in accordance with the regulations and point 13.2 above, in excess of £8,000

## 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, updated 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.