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For the Attention of Ms Elise Laker

14th October 2011

Dear Ms Laker,

**IRRV Response to Consultation: Localisation of Council Tax Support in England**

The Institute of Revenues, Rating and Valuation (IRRV) is pleased to provide the attached response to the above consultation paper.

The IRRV is the professional body concerned with all aspects of local benefits administration and local taxation in the United Kingdom and has members within both the private and public sectors. Institute members are engaged in local authority benefits administration, local tax administration, valuation of property for taxation, the appeals process and financial management in local government. The Institute represents the professional interests of its members who work within this broad church.

The Institute is the only professional body in the United Kingdom that specialises in the law and practice of local authority revenues and local taxation collection together with the income related benefits that support these processes.

Please contact me should you wish to discuss any of the points raised in this submission.

Yours truly,



David Magor OBE IRRV  
Chief Executive

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The Institute of Revenues, Rating and Valuation is the professional body for local taxation, benefits and valuation. We promote best practice and support the professional activities of our members working in government and commerce.

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## **IRRV Response to Consultation: Localising Council Tax Support in England**

### **Introduction**

1. The IRRV fully supports the simplification of the welfare system. Reducing bureaucracy, making work pay and encouraging less dependency on the state are goals that we can help to achieve.
2. We support the proposal to localise council tax support. Local authorities (LAs) are best placed to deliver this service. They have an excellent track record of delivering benefit services and combatting fraud, have the skills to reach vulnerable groups and can offer much-needed face-to-face contact.
3. The proposals carry significant financial risks for LAs in several respects. Central government assistance in reducing some of these risks would ease the process of implementation considerably and enable LAs to plan for the scheme with far greater certainty.
4. The Institute supports its membership in the efficient and effective implementation of local taxation and benefits systems, in accordance with prevailing legislation. To this end, we will assist our members in working to the required implementation timetable for council tax support. By the same token however, we need to register our significant concern about the proposed timescale. This is a radical system change, the parameters for which are yet to be fully determined or clearly conveyed, and the timespan for delivery is extremely compressed. We are concerned that the 1 April 2013 implementation date will not allow for full and proper consultation on the local scheme, leaving LAs open to potential legal challenge. Moreover, some of the integral elements of the system set-up will lie beyond LA control. We would therefore fully support any move by Government to provide a longer development period, such as postponement of the system until 1 April 2014.
5. If localised council tax support is to work successfully under the stated financial constraints, simplification and transparency must be key elements of the system. The legislative and operational parameters set by central government must reflect this fundamental requirement.
6. We would support a scheme that sets out broad operational parameters for all authorities, but which allows for local variations to be adopted by LAs, according to the needs of their own localities.
7. We understand the Government's desire to ensure that low-income pensioners are protected from any reduction of support as a result of the change to this scheme; and that certain vulnerable groups are offered support by LAs. The consultation does not however offer a definition of 'pensioner' or 'other groups who may struggle to pay council tax', or 'groups who might not be expected to increase their income through work'. These definitions will have a significant impact on the financial implications the scheme has for LAs and need to be defined as soon as possible. We have tried, in our responses to the questions, to work around these gaps in the fabric of the consultation.
8. Protecting pensioners and other yet-to-be-defined vulnerable groups under this financially constrained system will restrict the type and level of support that billing authorities (BAs) can offer to others, such as those of working age, through local schemes.

**The IRRV Response to the Specific Consultation Questions.**

**5a: Given the Government's firm commitment to protect pensioners, is maintaining the current system of criteria and allowances the best way to deliver this guarantee of support?**

9. The definition of 'pensioner' needs to be established to enable BAs to identify who would be protected under any new scheme. Obviously those on Guarantee Credit should automatically receive support without making a claim; this would deliver the help to those who have already been through a sufficient means testing process. However if protection were for all pensioners who already receive some council tax support there would have to be some sort of process for ensuring support is protected at existing levels to maintain this and to award new claims for council tax support. Of course, these would be new claims.
10. The current system of criteria and allowances for those on Savings Credit is adequate. However a higher capital limit should be set to enable the Council Tax Rebate to be paid to those who most need it, rather than to those with excessive amounts of capital. Anyone who has been assessed by the Pension Service with less than the new capital limit and receiving a Savings Credit would get support with their Council Tax bill.
11. Those in receipt of Guaranteed Pension Credit would be entitled to full rebate, as they are now.
12. Households that do not receive Pension Credit but are on a low income (State Retirement Pension, Occupational Pension, and Private Pension) will need to be assessed for their eligibility, and if the qualifying criteria are more open and less restrictive, LAs could see an increase in their caseloads that they have no control over.
13. There is also the question of Pensioners in receipt of Second Adult Rebate – will they be protected during this transition?
14. The greater the number of pensioner protection eligibility groupings that billing authorities are required to administer, the greater the expense and complexity of the scheme overall. If the system is to work successfully under the stated financial constraints, simplification and transparency must be the drivers behind the development of the system. In 2008 an estimated 1.7 million pensioner households had not claimed CTB; and these would present a significant challenge in financing the new scheme.

**5b: What is the best way of balancing the protection of vulnerable groups with the need for local authority flexibility?**

15. The definition of vulnerable person/group needs to be established to enable LAs to identify who should be protected under the new scheme. Vulnerability is not necessarily visible or measureable in terms of entitlement to benefit but it could be argued that anyone in need is vulnerable.
16. The conditionality criteria in Universal Credit (UC) will identify those who would not be expected to find work, most LAs would agree that these groups would not be expected to work; the flexibility has to come from within the working age population. The principles should enable LAs to develop their schemes and ensure the framework for consultation of residents and groups.
17. The best way of balancing protection of vulnerable groups with the need for LA flexibility would be to restrict the number of vulnerable groups, thereby enabling authorities to spread

the impact over more claimants; and to support this with a fund similar to the Discretionary Housing Payments that authorities could use to best meet local needs.

18. Within the council tax system there could be more discretionary discounts under s13A, relating for example to War Widows & War Pensioners to allow for disregard of their war pensions. Different discretionary discounts could be applied for different categories. This would enable LAs to have more flexibility within the restricted funding regime. However, the local decisions on protecting vulnerable groups will need to be made at member level and would entail difficult choices.

**6a: What, if any, additional data and expertise will local authorities require to be able to forecast demand and take-up?**

19. IT systems integration is a substantial consideration in the process and the ability to deliver an inexpensive council tax support scheme will depend upon successful integration.
20. Moving from a demand-led scheme to a cash limited scheme will bring its own problems and requires new software or tools that are more sophisticated than what we have at present to be able to forecast demand and take up. It is not feasible to have a risk free model as the economic climate can cause unpredictable demands on LAs. It is essential that we have the same access to DWP's systems as we do at present.
21. Ideally an LA would need to know exactly how many pensioners in its area are receiving Pension Credit so it can identify the under claim. If as the government predict, a simplified scheme will be more popular, then we need to know who is currently getting benefit in other forms but not currently claiming CTB, also who is economically inactive as they may step forward. LAs must be allowed to retain and develop the existing links through ATLAS (the automatic feed of Tax Credit records and soon other Social Security Benefits), Customer Information System (CIS), Tell Us Once (TUO) and other Government databases. The expertise within the existing finance, Revenues & Benefits, and software suppliers should be sufficient but organisations like the IRRV and other professional bodies should lead the field in providing models and advice.
22. Currently, LAs will make assumptions as to future demand for Council Tax Benefit (CTB) as part of the Initial Benefit Subsidy Estimate that they submit to the Department of Work & Pensions each year. This process will take into account a predicted rise in Council Tax together with any assumptions as to future increases in Council Tax payers or any proposed take-up activities.
23. As there is currently no financial penalty (apart from a loss of cash flow), the risk inherent in the existing arrangement is minimal.
24. Under the proposals under consultation, there will be a need for greater accuracy in forecasting demand, as the consequences of inaccurate forecasting will be more widely felt.
25. If the risk of under-estimating demand is no longer acceptable then councils will need additional support in the form of predicting models and data on employment trends at a local level to cover this almost non-existent resource at present. In two-tier areas, the accuracy of the model is particularly critical if the risk is to be shared between upper and lower tiers and other main precepting authorities; but this is also a problem in unitary areas because the risk has to be shared with the main precepting authorities.

**6b: What forms of external scrutiny, other than public consultation, might be desirable?**

26. Scrutiny will be achieved via internal and external audit, along with the mechanism for approving grant claims. Further scrutiny will be delivered through the spending process in the appropriate Government department, through monitoring by the National Audit Office, and ultimately by the Parliamentary Accounts Committee.

**6c: Should there be any minimum requirements for consultation, for example, minimum time periods?**

27. Local government is well accustomed to detailed consultation on major issues. Consultation can range from a providing relevant notice in the local newspapers, to a process more onerous (and possibly expensive) which is conducted by the billing authority as part of its spending decisions for the forthcoming year. These spending decisions will be subject to the financial constraints of the new system, and they may be significant spending decisions if the LA decides to bear any extra costs associated with the local decision. To meet the financial constraints of the new system, the process has to be as simple and streamlined as possible.
28. There needs to be sufficient time within the timetable to consult with those who are affected by the changes. We are concerned that a 1<sup>st</sup> April 2013 implementation date will not provide adequate time for such consultation prior to the budget setting process.
29. LAs should be free to conduct the consultation when they feel it is appropriate. A minimum consultation period might be of some use, but LAs need to be free to choose who they seek consultation with and at what depth.
30. In relation to the requirement to consult further on scheme changes, it is important that BAs are able to react to various financial pressures that will arise in the council tax support system, by making timely adjustments for subsequent years; they should not be impeded in doing so by too onerous a consultation requirement.

**6d: Do you agree that councils should be able to change schemes from year to year? What, if any restrictions, should be placed on their freedom to do this?**

31. Any decisions to change the scheme will be affected by central government's decision process as to whether benefits costs are to be calibrated in line with either the Consumer Prices Index or the Retail Prices Index.
32. BAs need to be free to react to changes in the local economy and the community. Perhaps it would be appropriate to provide flexibility for BAs to set out an agreed set of changes to the scheme covering a three or five year period, to enable both citizens to forecast and plan. Consultation should only be a requirement for changes in respect of key elements; otherwise it would be too costly to keep consulting on the same scheme each year. The more often a scheme is changed, the more costly it will be to the LA, with fewer economies of scale and an increased dependency on systems and IT. If the LA feels it can continue for another year with the existing scheme then it should be allowed to make that choice.
33. If it is decided that council tax support should be applied to certain groups through the process of means testing, then (more onerous) annual consultation would probably be required for these groups.

**6e: How can the Government ensure that work incentives are supported, and in particular, that low earning households do not face high participation tax rates?**

34. LAs could take a more active role in the Work Programme, rather than this being driven by Jobcentre Plus. This would give LAs the opportunity to develop work incentives at a local level, e.g. travel tickets, extended childcare provision.
35. We need to have a complete understanding of how UC will work so LA schemes can support work initiatives. It is difficult to predict how any scheme will affect the household income when we have not seen UC in operation, nor the regulations. However, perhaps greater use of run-ons (extended payments) may be the simplest way to ease the transition into work, but this is probably the most costly method as it distributes the awards without taking into account the actual income of a claimant, and does not withdraw benefit faster from those who no longer need financial assistance. The length of time extended payments cover, for example four or six weeks, should be a matter for local determination.
36. The council tax support could be set for a fixed period irrespective of what changes occur. This would help people into work. Once the fixed period comes to its natural end we could offer a further period of say between one to three months depending on circumstances, such as helping people get to work, until they have their first wage payment to help them with travel etc. Again, this would help with the transition into work. These however will be difficult to forecast and could increase LA risk.

**7a: Should billing authorities have default responsibility for defining and administering the schemes?**

37. Yes, BAs should be responsible for designing and delivering the schemes. If collection for CT is to remain with the BA's then the reduction needs to be made at the source. In two tier authorities giving the work to the County level would add delay in the assessment and agreement of a reduction which would then have to be communicated to the BA. This would cause the type of problems with collection that LAs currently see when Benefit assessment and billing are carried out by separate parts of the same LA. It is important that this default responsibility rests with the BA because they may wish to mitigate risk and share cost by considering different delivery models.

**7b: What safeguards are needed to protect the interests of major precepting authorities in the design of the scheme, on the basis that they will be a key partner in managing financial risk?**

38. There needs to be a robust risk analysis policy in place to ensure key principles or risk management is adhered to. The major precepting authorities will need to be involved in agreeing to the level of risk, but should not be allowed to exert a disproportionate amount of influence on the design of a scheme. Provisions of a fund should be in place to take account of increased take up in an area as it is not possible to be able to forecast need especially with the economic climate at the moment.
39. There are of course significant risks for the BA. The mechanism should be in place to allow some in-year adjustment to the precept payments schedule to cover this eventuality, so that BAs are not solely carrying the burden of borrowing to cover shortfall.
40. The new system will mean that a large proportion of people who currently pay little or nothing towards their Council Tax will start to make a contribution, or make greater contribution than they do now. Past experience under Community Charge shows that collecting small payment amounts from the least well off is difficult and relatively expensive. As a result, collection levels may falter, at least in the early days of the scheme.

**7c: Should local precepting authorities (such as parish councils) be consulted as part of the preparation of the scheme? Should this extend to neighbouring authorities?**

41. No. Parish council precepts make up a small percentage of the Council Tax charge for most areas and this would suggest that parish councils should not be consulted.
42. We see no justification for extending consultation to neighbouring authorities, as the focus for such a process should be those who will be financially affected by the proposals.

**7d: Should it be possible for an authority (for example, a single billing authority, county council in a two-tier area) to be responsible for the scheme in an area for which it is not a billing authority?**

43. There is no reason why an authority cannot be responsible for the *administration* of a scheme in another area on behalf of that other billing authority; but the *statutory* responsibility must still fall to the commissioning billing authority.

**7e: Are there circumstances where Government should require an authority other than the billing authority to lead on either developing or administering a scheme?**

44. The Government already has default powers under S114 of the Local Government Act 1972; these do not need to be expanded further.

**8a: Should billing authorities normally share risks with major precepting authorities?**

45. Yes, the burden needs to be shared with the major precepting authorities as it would be unfair for BA to carry the burden of any shortfall in expenditure. They will be involved in the consultation and as the County, Police & Fire service charges make up the majority of the sum to be paid, they should accept that collection may become more difficult and there may be a greater draw on the reduction scheme. If BAs are left to shoulder the risk burden by themselves, it may well adversely limit the extent of any local support scheme, and thus prevent local choice from being properly exercised.
46. Sharing risk with major precepting authorities would suggest that the precepting authorities will want to have input to the design of the scheme; which adds another layer of complexity to the current tight development timetable.

**8b: Should other forms of risk sharing (for example, between district councils) be possible?**

47. We are not sure how agreeable or deliverable this will be. For example, affluent areas can often share boundaries with less affluent areas, so why would members of an LA who has fewer claimants then prop up a neighbour with a higher caseload? This might only be of relevance to authorities working in partnerships; and even the best partnerships, working to well defined partnership agreements, will find it difficult to satisfactorily agree upon risk sharing.

**8c: What administrative changes are required to enable risk sharing to happen?**

48. The payment to precepting authorities needs to be examined, so that drops in collection or increases in take-up can be managed throughout the year, to enable greater flexibility in payment of precepting body instalments.

**8d: What safeguards do you think are necessary to ensure that risk sharing is used appropriately?**

49. Legislation should impose a duty on the BA to ensure risk sharing is properly administered. The system will have to provide for agreed levels of tolerance in caseload increases and collection rate targets. The administration could be in the form of status reports or regular bulletins.

**9a: In what aspects of administration would it be desirable for a consistent approach to be taken across all schemes?**

50. Consistency would be helpful in the removal of the need to make a claim from those already in receipt of certain types of benefit, such as UC & Pension Credit, perhaps even other non-means tested benefits. Identity should continue to be established through the Customer Information System (through a secure channel) and NINO. Definitions of income and capital would be useful as in the absence of anything else LAs would probably revert to terms they are familiar with in the current CTB regulations, such as claimant, partner, dependants, income, capital etc.
51. BAs should also be provided with access to the Her Majesty's Revenues and Customs (HMRC) "live income" data functionality.
52. The 'ATLAS' system should be continued when Universal Credit is introduced.
53. For data sharing purposes there will need to be legislative provision for the new "localised" CTB to continue to be regarded as a Social Security benefit operated on a local level.
54. Software suppliers are unlikely to offer individual BAs different schemes, unless at disproportionate cost. There is a requirement for clear definition of key terms from the outset, so that there is common understanding across BAs.
55. If there are to be means-related aspects to the support, then income and savings definitions should be consistent across BAs.
56. The chosen parameters must be consistent with the eligibility criteria within Universal Credit.

**9b: How should this consistency be achieved? Is it desirable to set this out in Regulations?**

57. There should be mandatory rules laid in regulations so that there can be consistency in administration to alleviate variations in interpretation. Also there should be the ability to alter or add qualifying benefits in the future.

**9c: Should local authorities be encouraged to use these approaches (run-ons, advance claims, retaining information stubs) to provide certainty for claimants?**

58. Yes. Run-ons are an achievable and simple method of meeting the better off in-work requirement. Advance claims are seldom made, and if automation of entitlement can be achieved for the majority, so claims would only be required from those not on a qualifying benefit, then there should be some link to the date of liability and the date of claim made. Backdating could be restricted to three months so a claimant is given one month from the issue of the demand notice to request a reduction. The problem is with backdating demand notices so at the moment other than the Limitation Act restricting recovery through the court to 6 years, there is no limit to how far a CT liability can be backdated; it could go back in theory to 1993. However, as this would overlap with an abolished CTB scheme reductions would need to be limited to either date of liability or maximum 3 months.

59. The idea of information stubs would be useful. Currently, someone not going through the rapid reclaim process with the Jobcentre Plus but applying for HB/CTB direct from their LA would only need to fill in a brief version of the full claim form and the LA simply verifies that the details from their last claim are unchanged. The problem is with moves from one LA to another when they need support. Greater data sharing between LAs should be allowed, although there would be an extra administrative burden in establishing who the new LA is, compiling and handing off the records to the new LA.

**9d: Are there any other aspects of administration which could provide greater certainty for claimants?**

60. An enabling power in the proposed legislation, to achieve greater use of exchange of data between LAs could provide greater certainty.
61. A simple scheme will tend to provide greater certainty for claimants. Having fixed period awards will provide certainty to the claimant that this will be paid for a period whether or not they enter work; and will be less costly for LAs in dealing with changes in circumstances. The advantages of this approach have to be weighed against the disadvantage that it does not take into account any changes during the fixed period. This may be a particularly difficult issue for claimants who find themselves worse off during the fixed period.
62. The chosen parameters must be consistent with the overall principles of Universal Credit and encourage take-up of work.

**9e: How should local authorities be encouraged to incorporate these features into the design of their schemes?**

63. They can be encouraged through the provision of adequate funding and the assurance that there would be national coverage.
64. To overcome any obstacles, any data sharing options should be at no-cost to the LAs. This should extend not only to the means of data sharing itself but also to the additional security requirements that will be necessary to satisfy the demands of Government Connect.
65. There needs to be certainty about on-going administration grant provision. In addition, there needs to be full reimbursement for *all* implementation costs.

**9f: Do you agree that local authorities should continue to be free to offer discretionary support for council tax, beyond the terms of the formal scheme?**

66. Yes. As they stand, the proposed funding arrangements means that there will be a limited grant to cover a service that is led by demand. BAs may well exercise caution in the setting local scheme parameters, to avoid overspend. The option of discretionary support can allow BAs to make adjustments in support as they see fit. The advantage of this form of support over s13A Local Government Finance Act 1972 is that a fund similar to Discretionary Housing Payments will be ring-fenced and used solely for a limited number of cases. S13A assistance requires a resolution made by the billing authority and the burden of that assistance falls upon the general fund, i.e. other taxpayers.
67. To ensure efficient operation of the new scheme, LAs should be provided with the ability to a discretionary award similar to the Discretionary Housing Payment, and if appropriate, by utilising s13A of the LGA 1972.

**9g: What, if any, circumstances merit transitional protection following changes to local schemes?**

68. Limited transitional protection for the first year should be considered, to ensure smooth movement from one scheme to the other. This protection should not be subject to the financial restrictions of the overall scheme.

**9h: Should arrangements for appeals be integrated with the new arrangements for council tax appeals?**

69. There should be an independent appeals process. However, the concern with appeals is over the variance in schemes. The Tribunals will need to be able to understand the various schemes and make consistent decisions that can be related to other claimants in the way current decisions are used.
70. The amalgamation of the Valuation Tribunal and Appeal Tribunal into a new Property, Land and Housing Chamber appears to be a good idea, as the rebate scheme is to be aligned alongside the Council Tax legislation/concepts; as long as the Tribunal members have the appropriate expertise.

**9i: What administrative changes could be made to the current system of council tax support for pensioners to improve the way support is delivered (noting that factors determining the calculation of the award will be prescribed by central Government)?**

71. One change could be the automation of a reduction, so doing away with any need to ask pensioners to make a claim or re-confirm something that has already been done by the Pension Service. Removal of the annual claim process is also recommended. DWP research indicates that there is no need for the majority of pensioners to reapply each year.

**10a: What would be the minimum (core) information necessary to administer a local council tax benefit scheme?**

72. This depends on the requirements of the scheme that is adopted, but the core information would be name, date of birth, address, NINO, type of benefit and the amount if necessary payable each week. Date of claim for that benefit, and the start of entitlement, access to notes made by DWP/HMRC/PS assessors as currently available through CIS. Details of any sanctions applied. How and when a claim should be made and the appeals mechanism would be required.
73. Data sharing with the DWP, as per the current arrangements, should be continued. The Housing Benefit Matching Service is also very useful in identifying cases of fraud; there would be value in continuing this data transfer.

**10b: Why would a local authority need any information beyond this “core”, and what would that be?**

74. The only information needed outside of this core would be information held centrally which would allow LAs to deliver any variables in their local schemes e.g. war pensioners and war widows.
75. In order process in work claims promptly, sharing of “live income” via the proposed HMRC database would remove overpaid benefit problems.

**10c: Other than the Department for Work and Pensions, what possible sources of information are there that local authorities could use to establish claimants' circumstances? Would you prefer to use raw data or data that has been interpreted in some way?**

76. Employment and pay records from HMRC.
77. There should be a free exchange of data between HMRC and LAs. This will help to ensure accuracy in the data and simplifying the system in terms of billing authority processes (and thereby reducing costs) and for the claimant also.
78. The legal definitions to be set out in the scheme should determine whether raw or interpreted data will be required.

**10d: If the information were to be used to place the applicants into categories, how many categories should there be and what would be the defining characteristics of each?**

79. Because of underlying complexity and in order to maintain a truly local system, , we would simply suggest that if there is raw data then an LA can link their categories to their own specific strategic priorities for their area

**10e: How would potentially fraudulent claims be investigated if local authorities did not have access to the raw data?**

80. Without raw data there would be a great amount of difficulty in investigating fraud. Why would anyone deny access to data if it was to protect public funds? Investigation can be carried out under s29 data protection requests, but not as effectively.

**10f: What powers would local authorities need in order to be able to investigate suspected fraud in council tax support?**

81. LAs won't need any more powers, as they already have adequate powers.
82. Localised "Council Tax Rebate" needs to be defined as a Social Security benefit in the same form as (CTB) to ensure cases can be prosecuted under Social Security legislation.

**10g: In what ways could the Single Fraud Investigation Service support the work of local authorities in investigating fraud?**

83. The relationship will rely on the appropriate exchange of data between the LA and SFIS.
84. The Single Fraud Investigation Service (SFIS) could assist with intelligence on a suspect and manpower in investigating a fraud, for example surveillance work, attending IUC's, following paper trails to find the proceeds from a crime or track down damning evidence of the fraud.

**10h: If local authorities investigate possible fraudulent claims for council tax support, to what information, in what form would they need access?**

85. LAs should be allowed to continue with their powers. LAs should receive no less information to investigate fraud than they currently receive. An enabling power is required to allow LAs to gather information, to include: Information from employers including details of employee and related employment (and including salary); Details of private pensions paid; financial investment records; credit reference agency information; telecommunications detailing bill payer; start dates of contracts; addresses of bill payer; HMRC and DWP raw data; and insurance information.

**10i: What penalties should be imposed for fraudulent claims, should they apply nationally, and should they relate to the penalties imposed for benefit fraud?**

86. The penalty structure already exists under Council Tax legislation. These provisions would need to be expanded to cover the legislative framework for administration penalties.

**10j: Should all attempts by an individual to commit fraud be taken into account in the imposition of penalties?**

87. Yes. Sanctions applied for fraud that had no effect on the entitlement to a reduction should be notified to the LA so fraud can be seen by the public as being combated and discouraged. Attempted fraud would need a clear definition – would this include a reduction that was never applied because the fraud was identified early on?

**11a: Apart from the allocation of central government funding, should additional constraints be placed on the funding councils can devote to their schemes?**

88. No. LAs should be free to contribute to the fund in the same way the DHP fund can be topped up from other sources of LA funding.

89. The Paper does not elaborate on how year to year increases in the level of grant will be planned and managed and the relationship between increases in CTB Grant and the overall regime of Council Tax capping.

**11b: Should the schemes be run unchanged over several years or be adjusted annually to reflect changes in need?**

90. The schemes should change from year to year and the benefit cost borne by Central Government should be calibrated by the Retail Prices Index or the Consumer Prices Index and by caseload growth or reduction.

**12a: What can be done to help local authorities minimise administration costs?**

91. One way would be the automation of entitlement in as many pensioner cases as possible, as it will eliminate the need to invite new claims. This would result in an increased caseload and higher payments. Transition relief or protection should only be imposed for the first year. The established links with CIS/ATLAS/TUO could be developed so information could be exchanged. The establishment of a national exchange of claimant's details could be considered, so moves from one district to another can be managed through the TUO system with minimal contact with the claimant.

**12b: How could joint working be encouraged or incentivised?**

92. Engender greater willingness to exchange details when customers move, or if data is being sent to the wrong LA.

93. LAs would welcome financial incentives through the grant system and operational incentives through relaxation of bureaucracy and controls.

94. To encourage joint working, authorities should be given access to a resource to enable them to fully explore the merits of joint working. It needs to be well planned, resourced and funded to ensure sustainable efficiencies can be maintained.

**13a: Do you agree that a one-off introduction is preferable? If not, how would you move to a new localised system while managing the funding reduction?**

95. One-off introduction is preferable, as modelling a phased transition will increase the risk of miscalculating the need.

**13b: What information would local authorities need to retain about current recipients/ applicants of council tax benefit in order to determine their entitlement to council tax support?**

96. The existing CTB records would be sufficient to transfer most claimants directly onto some sort of reduction. These records must be retained as the Valuation Office Agency could go back with an alteration to the Banding, or we could establish an overpayment of CTB going back a number of years or a change to another discount, exemption or relief that affects CTB. We would not want to lose CTB records.

**13c: What can Government do to help local authorities in the transition?**

97. The Government can make quicker decisions so there is certainty about the direction we are moving in. The funding of the schemes is of key importance in deciding how the scheme will operate yet the consultation document for that aspect is yet to be issued. .
98. Provide guidance/principles, set up joint communications forum, and influence IT providers.
99. In addition funds to assist with this work will be required by LAs either to cover the additional costs in securing an IT solution or extra administration costs.
100. Allow LAs full funding for the first year to bed any new system in.

**13d: If new or amended IT systems are needed what steps could Government take to shorten the period for design and procurement?**

101. Software suppliers have indicated there is a danger that they will not be able to deliver the software on time, as there is a lack of any information for them to base any proposals for a local scheme. The time table is very tight and there is no detail available on which new or revised software plans could be drafted. Software suppliers need to know what parameters they are working to just the same as LAs.
102. To assist in shortening the IT development period, additional funding to help with implementation will be required, which BAs cannot fund.

**13e: Should applications, if submitted prior 1 April 2013, be treated as if submitted under the new system?**

103. If a claim for CTB is made before 1<sup>st</sup> April 2013, then we should make two decisions, one awarding and granting the CTB due in respect of the CT demand for 2012/13, and a second decision relating to the CT demand for 2013/14. Claimants should not lose out on the rebate they are entitled to during the change.
104. If a claim for a reduction is made before 1<sup>st</sup> April 2013, then claimants should be invited to claim CTB for any relevant part of the year preceding April 2013, subject to the 6 or 3 month backdating rules. The CTB rules are sufficient to allow for claims to be treated as made in respect of both CTB and a reduction. This safeguards the claimant and is a responsible response to their situation.

**13f: How should rights accrued under the previous system be treated?**

105. Generally, the rights and responsibilities accrued under the existing scheme should continue to exist under the new local scheme by default. This will add an element of continuity to the new scheme and aid understanding and acceptance of the scheme as well as avoiding duplication prompted by a series of new applications. This general rule of course would only apply if the two schemes were broadly similar.
106. Any local scheme should not be less generous in term of the rights given to particular groups of claimants under existing local schemes.
107. Any decisions of principle that have been made by the Social Security Appeals Tribunal should be binding on LAs if similar regulations exist in a new localised scheme.