

## **REVISED AND RECOMMENDED**

**The intention of this agreement is to set out how major precepting and billing authorities will work together to mitigate the reduction in funding for Council Tax support so as to minimise the risk of reduced Council Tax yield and recognise the additional responsibilities for billing authorities.**

**This agreement reflects the transitional arrangements available in 2013/14 and would need to be updated should further changes in Government grants be introduced in future years.**

### **PROPOSED AGREEMENT BETWEEN DISTRICTS AND MAJOR PRECEPTING AUTHORITIES ON LOCAL SCHEMES OF SUPPORT FOR COUNCIL TAX**

If a District

**In 2013/14**

1. Accepts a standard deduction of **8.5%** on all non- pensioner claimants (and meets the other conditions for the Government Grant), or already has an alternative scheme under (A) below which meets the criteria for grant

and **agrees to :**

2. Confirm that they will apply for the Government's Transitional Grant for 2013/14 (and any grants on offer in subsequent years) and

3. Reduce the exemption on **Class C empty properties from 6 months to 3 months**

**and for 2014/15 and 2015/16**

4. Districts agree to revert to their original proposed scheme as per (A) below or agree to put other actions in place to reduce the cost of Council Tax support/other specific measures increase the Council Tax yield that achieves a similar financial result

**or**

- A. Accepts a standard deduction of 18.5% on all non- pensioner claimants, or produces an alternative local scheme that achieves the equivalent of a 10% saving in expenditure on discounts to claimants,
- and
- B. Agrees to reduce the exemption on Class C empty properties from 6 months to 3 months,

THEN

Major Precepting Authorities will agree:

1. If a district incurs a cost on new council tax discounts (other than as a result of local decisions to increase Council Tax) from the local scheme that is higher than their share of the grant from government, then major precepting authorities (jointly) will reimburse the district the difference.
2. Major Precepting Authorities (jointly) will pay £125,000 to each district each year as a contribution to the increased administrative, collection and recovery costs of the new scheme.
3. Major Precepting Authorities (jointly) will reimburse each district reasonable increased administrative costs necessarily incurred if the case load on the local scheme (during the period of this agreement) exceeds the case load of the council tax benefit scheme (as at 31 March 2013) by more than 15%.

**Additional clauses subject to negotiation**

Districts to agree monitoring arrangements with major precepting authorities to enable them to take account of possible costs under the underwriting clause 1 above

District councils to agree accounting arrangements through collection funds with major precepting authorities

Major Precepting Authorities (jointly) will also contribute towards the cost of fraud services undertaken by Districts in connection with Council Tax Discounts.

Major precepting authorities will not specifically compensate districts for any impact on parish precepts arising from Council Tax support schemes and districts will be expected to manage the consequences on the Collection Fund as far as is practically possible within the grants available from government and the impact of reduced benefits/other changes to Council Tax yield on the parish precept

Individual precepting authorities will agree with individual districts arrangements to pay a proportion of the precepting authority's Government grant(s) for Council tax support in exceptional cases

## FURTHER

1. This agreement to operate for three years (subject to variation in light of changes to Government funding)
2. A review is undertaken between April and June 2015.

This agreement will limit the cost to districts of discounts granted under a local scheme to the value of the grant received from government. Districts will also receive a contribution from major preceptors to offset estimated additional administrative and recovery costs.