

LOCAL COUNCIL TAX SUPPORT SCHEME 2015/16

Relevant Portfolio Holder	Cllr John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda de Warr
Ward(s) Affected	All
Ward Councillor(s) Consulted	None Specific
Key Decision / Non-Key Decision	Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 Government changes to the benefits scheme in relation to Council Tax required the Council to introduce an annual Council Tax Support Scheme. This scheme must be reviewed annually and agreed by Council.
- 1.2 The draft scheme was agreed by Executive on 28th October 2014 which presentment no change to the existing scheme, other than small amendments required due to changes in other benefits and personal allowances.
- 1.3 Following consultation on the draft scheme Members are now asked to consider the final scheme.

2. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND that

- 2.1 No changes be made to the Council Tax Support Scheme for 2015/16, other than to allow for the future ‘uprating’ of some of the figures to take account of other national changes in benefits and allowances.**

3. KEY ISSUES

Financial Implications

- 3.1 As Members are aware, changes were made to the Council’s Local Council Tax Support Scheme with effect from April 2014, which resulted in support being capped at 80% of Council Tax liability so that all working age claimants would pay a minimum of 20% towards their Council Tax Liability.
- 3.2 Changes to the support scheme in April 2014 offset an estimated funding gap in 2014/15 of £65k for Redditch Borough Council.
- 3.3 It is proposed that there are no changes to the level of support provided by the Council, but that the various allowances be uprated in line with the Secretary of

State's annual announcement. This will ensure that the scheme remains in line with other benefits.

Legal Implications

- 3.4 On 1 April 2013 Council Tax Benefit was abolished and replaced by a new scheme of Council Tax support called "Council Tax Support Schemes". Under s13A and Schedule 1A of the Local Government Finance Act 1992 (inserted by s10 Local Government Act 2012), each local authority was required to make a Council Tax Support Scheme specifying the reductions which are to apply to the amounts of council tax payable.
- 3.5 Statutory Instrument 2012/2885, "The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012" ensured that certain requirements prescribed by the Government were included in each Scheme (subsequently amended by S.I. 2012/3085)
- 3.6 As the billing authority the Council is required by the Local Government Finance Act 2012 to consider whether to revise its scheme or to replace it with another scheme, for each financial year.
- 3.7 The Authority must make any revisions to the Scheme no later than 31 January in the financial year preceding the one when it will take effect, so that it will be necessary for the Council's 2015/16 scheme to be in place by 31st January 2014.
- 3.8 Instruction is received from the Department of Work and Pensions on an annual basis, of changes to benefits rates and personal allowances. These must be taken into account for housing benefit calculations and it is good practice to applied to the Local Council Tax Support Scheme

Service / Operational Implications

- 3.9 Collection rates and recovery processes have been closely monitored to help understand the impact of the changes made in April 2014.
- 3.10 Collection rates have not been significantly negatively impacted.
- 3.11 There has been an increase in recovery action and there were a higher number of cases that reached final reminder or summons stage. However, evidence suggests that this is starting to level out and arrangements are in place, and being upheld, with many householders.
- 3.12 There has been a substantial increase in payments received through our cash offices, as the majority of residents are paying their council tax.

- 3.13 A very small number of customers contacted us directly to apply for hardship funding, but during the course of the year to date officers have identified other customers who are in financial hardship. Financial Support Officers have worked directly with 100 individuals to identify how best to meet the customer's needs. In order to fully understand the needs two officers were tasked with meeting each applicant for hardship funding, preferably in their own homes. These officers discussed the applicant's financial situation as well as wider issues and worked with the customer to identify appropriate solutions.
- 3.14 Consultation on the draft scheme agreed by Executive on 28th October took place from 31st October to 14th November. The draft scheme was published and comments invited from the public. In addition major preceptors and stakeholders were contacted directly. One response has been received in support of the proposed scheme.

Customer / Equalities and Diversity Implications

- 3.15 The 'uprating' of the benefits rates and personal allowances to be taken into account, in line with the Secretary of States announcement on those that must be taken into account for other benefits, will potentially result in small changes to the amounts of support provided. These will vary according to circumstances.

4. RISK MANAGEMENT

- 4.1 Any changes to council tax support whilst increasing council tax income to the Council and our major preceptors potentially have implications for our residents and therefore officers will ensure that support on managing finances and advice on other potential benefits is made available, in line with the strategic purpose to help people to be financially independent.

5. APPENDICES

None

6. BACKGROUND PAPERS

Held in Revenues Service

AUTHOR OF REPORT

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