

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 20TH AUGUST 2014 AT 4.00 P.M.

PRESENT: Councillors M. A. Sherrey (Leader), C. B. Taylor (Deputy Leader),
D. W. P. Booth, M. A. Bullivant and R. L. Dent

Observers: Councillor H. J. Jones and Councillor L. C. R. Mallett

Officers: Mr K Dicks, Ms C Flanagan, Mrs C Felton, Ms J Pickering, Ms A
de Warr, Mr D Riley and Mrs S Jones

20/14 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Hollingworth and Webb.

21/14 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

22/14 **COUNCIL TAX SUPPORT SCHEME REVIEW**

The Cabinet considered a report from the Head of Customer Access and Financial Support, which set out proposals to reduce the financial impact to the District and other precepting bodies in relation to Government changes to the Council tax support scheme. Cabinet had been asked by Council to reconsider the Council Tax Support Scheme consultation (minute 22/14, 16th July 2014).

The Overview and Scrutiny Board had considered the proposals in depth at a special meeting on 18th August and the comments of the Board were circulated to the Cabinet. Councillor Mallett, Chairman of the Board, was invited to speak to the minutes but did not have any items he wished to add.

The S151 Officer and Head of Customer Access and Financial Support summarised the main points in the report around the timeline, costs including the costs of consultation, the impact of the Council tax support scheme and actions that could be taken to mitigate this for vulnerable people.

In response to questions, the officers reported that a hardship scheme would aim to provide transitional support. Officers would continue to support those affected towards becoming more financially independent. Due to the Council decision to ask Cabinet to reconsider the matter, the period for consultation had reduced to approx. 6 weeks, but officers had prepared for this so that it could be started immediately if the Council decided to consult.

RECOMMENDED:

- a. That the options set out at Appendix 1 to the report be put to public consultation in order to inform potential changes to the Council's Council Tax Support Scheme for 2015/16 and/or later years;
- b. That the Head of Customer Access and Financial Support be authorised to consult on the options, set out in Appendix 1 to these minutes;
- c. That the Head of Customer Access and Financial Support report back to Cabinet on the outcome of that consultation and any proposals for changes to the scheme, for further consideration and resolution by Cabinet, to consult on a draft scheme;
- d. That further to the outcome of Cabinet's decision on the draft regulations, the Head of Customer Access and Financial Support be authorised to carry out the statutory consultation required on the draft scheme;
- e. That the final Scheme be presented to Cabinet to make recommendations to Council in January 2015, to allow for the necessary regulations to be published by 31st January 2015.

The meeting closed at 4.25 p.m.

Chairman

Local Council Tax Support (LCTS) Scheme – Consultation Options

OPTION	Number of Working Age Claimants affected (out of total of 1762)	Estimated Total Saving	Estimated Saving to Bromsgrove	Average Annual Increase		Comments
				Median	Mean	
Cap maximum amount of support that can be claimed to:						Council Tax Support continues to be calculated in the same way as the present scheme, however the maximum amount of support that a claimant can receive is capped at a certain % of their overall liability.
80%	1,762	£345,000	£49,680	£179.10	£196.15	This option results in all working age claimants having to pay something towards Council Tax and provides an incentive to claimants to increase their income.
85%		£259,000	£37,296	£134.32	£147.11	
90%		£172,000	£24,768	£89.62	£98.12	
Cap support at a lower band	1,762	£59,000	£8,496	£168.07	£159.40	<p>Entitlement to LCT Support is capped at a maximum of Band D charge for those in a Band E, F, G or H property and restrictions on band A – D properties to limit support to the next lowest Band.</p> <p>This option would result in claimants entitled to support having to pay more of the cost of occupying a higher –band property.</p> <p>This reduces the likelihood of low-income claimants occupying higher value properties than they otherwise would.</p> <p>This can have a positive impact on more efficient use of housing stock.</p>

Removal of Second Adult Rebate	116	£19,950	£2,872	£71.16	£171.97	<p>SAR is paid where only one person is liable for a household's Council Tax and there is a low income non-dependent living with them.</p> <p>SAR reduces the householder's liability by 25% regardless of the Council Tax payers income, if the second adult is in receipt of Income Support, Income based JSA, ESA or Pension Credit.</p> <p>There are few claimants of SAR and the changes will not significantly reduce expenditure on the LCTS scheme.</p> <p>The retention of SAR may be incompatible with the introduction of a scheme which caps support for all working age claimants, and could result in low income working age adults who live in their own property making a contribution from a single limited income, whilst this contribution would not apply to a low income non-dependent living with people who may have sufficient means to pay the Council Tax.</p>
Removal of backdating claims	Information on the costs of backdating are not available.					<p>Restrict or remove the ability to backdate claims would not result in a significant saving in the overall cost of the LCTS scheme however it would result in reduced administration.</p> <p>Vulnerable persons could be protected through the use of discretionary powers which allow for the reduction of Council Tax liability on a case by case basis.</p>

Reduce capital/savings limit	Information on savings is not available for reductions to Capital/savings Limits				<p>In reality very few working age claimants have a high level of non-pension fund assets and therefore this option will not significantly reduce expenditure on the LCTS scheme.</p> <p>However the change may be appropriate as part of any effort to concentrate support on the most vulnerable</p>
Changes to Non-dependent deductions	Information on savings is not available for this option.				<p>This amendment to the scheme would end the anomaly in the existing scheme which allows non-dependents with significant incomes to be resident in a household and make no contribution to the Council Tax liability if the liable person is in receipt of DLA or Attendance Allowance.</p> <p>The non-dependant is not liable for Council Tax and therefore consideration would be given to protecting vulnerable people.</p>
Reduce Council Tax discount on short term empty property to 50% for 1 month (excluding new developments)	N/A	£105,000	£15,120		<p>This option is not subject to statutory consultation and can be agreed by Council at any stage of the process.</p> <p>Reducing the discount on empty properties can provide an incentive to ensure properties are not left empty, thus increasing the supply in the rented sector.</p>

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