

Bromsgrove District Council - Local Council Tax Support (LCTS) Scheme –Options to be considered

OPTION	Number of Working Age Claimants affected	Estimated Total Saving	Estimated Saving to Bromsgrove	Average Annual Increase		Comments
				Median	Mean	
Cap maximum amount of support that can be claimed to:						
80%	2,753	£410,000	£59,040	£179.10	£196.15	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.
85%		£308,000	£44,352	£134.32	£147.11	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.
90%		£205,000	£29,520	£89.62	£98.12	
						<i>This option was supported by 74% of responders in the consultation, with 46% opting for an 80% cap on support.</i>
Cap support at a lower band	2,753	£59,000	£8,496	£168.07	£159.40	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. This option would result in claimants entitled to support having to pay more of the cost of occupying a higher –band property. This reduces the likelihood of low-income claimants occupying higher value properties than they otherwise would.

						<p>This can have a positive impact on more efficient use of housing stock.</p> <p><i>This option was supported by 56% of the responders to the consultation.</i></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> <p><i>There was 61% response stating no to this option. Consideration must be given to this option if a cap is introduced as detailed above.</i></p>
Removal of backdating claims	Information on the costs of backdating are not available as it would be entirely dependent on the claims received.					<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> <p>53% of responders responded no to this option.</p>
<p>Reduce capital/savings limit</p>	<p>Information on savings is not available for reductions to Capital/savings Limits but is not expected to be significant.</p>	<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> <p>52% of people responded that no, capital/savings should not be reduced.</p>
<p>Changes to Non-dependent deductions</p>	<p>Information on savings is not available for this option.</p>	<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> <p>This option was supported by 77% of responders to the consultation.</p>

<p>Reduce Council Tax discount on short term empty property to 50% for 1 month (excluding new developments)</p>	<p>N/A</p>	<p>£105,000</p>	<p>£15,120</p>			<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> <p><i>54% of responders supported this option.</i></p>
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