

COUNCIL TAX SUPPORT SCHEME – ADDENDUM TO REPORT TO CABINET 5TH NOVEMBER 2014

A Supreme Court judgment, given on 29th October 2014, considered the manner and nature of statutory consultation regarding changes to Council Tax Support Schemes.

The Supreme Court's judgment deals specifically with the statutory consultation which must take place pursuant to Schedule 1A to the 1992 Local Government Finance Act which was added by Paragraph 1 of Schedule 4(1) to the 2012 Local Government Finance Act and given effect by section 13A(3) of that Act.

Paragraph 3 of the schedule, entitled "Preparation of a scheme", provides:

"(1) Before making a scheme, the authority must (in the following order)-
(a) consult any major precepting authority which has power to issue a precept to it,
(b) publish a draft scheme in such manner as it thinks fit, and
(c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

Therefore, the ruling has no bearing on any preliminary consultation carried out prior to the publication of a draft scheme.

As a result it is proposed that the statutory consultation with interested parties, as set out in 3.42 of the report, will now include a mailshot to all current working age Council Tax Support Scheme claimants.

In addition, it is proposed that the consultation includes possible alternative options for the Council to absorb the shortfall in its budgets, such as raising Council Tax, reducing Council services and using the compensatory savings to fund Council Tax Support; or combination of the two. The documentation would need to make it clear that the Council may agree a rise in Council Tax of around 1.9% and that all service areas will have to make savings regardless.

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