

LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

Relevant Portfolio Holder	Cllr Geoff Denaro
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 a local Council Tax Support Scheme. This scheme must be reviewed annually.
- 1.2 The report proposes no change to the existing scheme.
- 1.3 The report also sets out some data relating to take up of the Hardship Fund and other measures showing the impact of the scheme on collection rates and recovery action.

2. RECOMMENDATIONS

Cabinet is asked to RESOLVE that

- 2.1 No changes be made to the Council Tax Support Scheme for 2016/17.**
- 2.2 The contents of the report in relation to take up of the Hardship Fund and other measures data be NOTED.**

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 2015, which resulted in support being capped at 80% of Council Tax liability for all working age claimants.
- 3.2 Council also agreed to implement a Hardship Policy, in order to support the most vulnerable and provide transitional support where exception hardship as a result of the changes, could be evidenced. As at 30th May 2015 £3,449 of this fund has been awarded.
- 3.3 Changes to the support scheme in April 2105 offset an estimated funding gap in 2015/16 of £45k for Bromsgrove District Council.

- 3.4 It is proposed that no changes be made to the level of support provided by the Council, and as previously agreed the various allowances be uprated in line with the Secretary of State's annual announcement. This will ensure that the scheme is affordable given the year on year reduction of funding for local support schemes and that the assessment of claims remain in line with other benefits.

Legal Implications

- 3.5 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 and adopt a Council Tax Support Scheme specifying the reductions which are to apply to the amounts of council tax payable within their districts
- 3.6 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)
- 3.7 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.
- 3.8 The Authority must adopt its scheme, and make any revisions, no later than 31 January in the financial year preceeding the one when it will take effect, so that it will be necessary for the Council's 2016/17 scheme to be in place by 31st January 2016.
- 3.9 Paragraph 3 to Schedule 1A into The Local Government Finance Act 1992 set out the preparation that must be undertaken prior to the adoption or revision of a scheme, including prescribed consultation requirements. As the recommendation is that no revisions to the current scheme should be made for the financial year 2016/2017 (to which this report applies), the requirement to consult does not have to be met. However, officers will publicise the fact that the current scheme is to continue, subject to up-lift in rates as set by the Department of Work and Pensions, as referred to at 3.11 below.
- 3.10 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 apply them to the Local Council Tax Support Scheme

Service / Operational Implications

- 3.11 It was anticipated that the reduction in Council Tax support could result in increased recovery work. Officers have monitored the impact of the changes on

collection rates and payments during April and May, as well as any increase in recovery action.

3.12 The proportion of Council Tax collected as at 31st May is 0.03% higher than at the same time last year.

3.13 There has been an increase in the number of reminders sent out during the first two months of operating the scheme. 1,000 more first reminders were sent in April 15 compared with April 14. However, in May 15 the number of customers being contacted regarding non-payment had dropped - the increase against the same period last year being just over 500 households. Evidence suggests that the majority of customers who are now liable to pay some Council Tax have arrangements in place to pay.

3.14 **HARDSHIP SCHEME**

Officers have worked with a total of 101 customers so far through the Hardship Scheme.

45% of customers who have accessed the Hardship scheme are single persons, and 67% of claimants had no dependants.

3.15 54% were on Employment Support Allowance.

3.16 49% of applications were not awarded Council Tax Support hardship funding, as financial assessments evidenced that the applicants had sufficient funds to pay. However, officers identified other financial support that could be provided. This included Discretionary Housing Payments, financial advice and debt/money management.

3.17 43% of claims for help were assessed as due to budgeting problems and in these cases, as well as considering the hardship awards, advice and support has been offered on budget management.

3.18 Whilst most of the Hardship applications, dealt with so far, have come directly from customers, this is to be expected in the first few months. Officers will take a proactive approach as the year progresses and where it is possible to identify that a customer may be suffering hardship as a result of the changes to the support scheme, these customers will be approached to establish how we might best support them.

Customer / Equalities and Diversity Implications

3.19 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 has financial implications for our residents and therefore officers ensure that support on managing finances and advice on other potential benefits is made available.

5. APPENDICES

6. BACKGROUND PAPERS

Held in Revenues Service

AUTHOR OF REPORT

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