

| Bath & North East Somerset Council | |
|---|---|
| MEETING: | Council |
| MEETING DATE: | 13th November 2014 |
| TITLE: | The Local Council Tax Support Scheme (LCTS) 2015-16 |
| WARD: | ALL |
| AN OPEN PUBLIC ITEM | |
| List of attachments to this report: <ol style="list-style-type: none"> 1. Section 13 a Local Government Finance Act 1992 – Local Scheme | |

1 THE ISSUE

To consider a proposal for continuation of the Local Council Tax Support scheme (LCTS) into its third year, with the policy to incorporate uprating of national personal allowances and benefits as necessary.

2 RECOMMENDATION

- 2.1 Council is recommended to approve delegated authority for the Lead Cabinet Member for Resources and the Section 151 Officer of Bath & North East Somerset Council to agree that there are no changes to the existing Council Tax Support Scheme for 2015-16, other than the application of national uprating adjustments and technical changes to ensure legal compliance as soon as practical.

3. FINANCIAL IMPLICATIONS

- 3.1 The Council implemented a cost neutral Local Council Tax Support Scheme in 2013/14 to reflect the reduced Government funding available.. The gross cost of Council Tax Support is £8.87 million as measured at end of September 2014 (Sept 2013: £9.19 million). The fall in cost of the scheme since last year is due to a decrease in number of claimants of 475 (Sept 2014: 11,171, Sept 2013: 11,646).
- 3.2 Given the reduced cost of the scheme, it is anticipated the existing scheme will remain able to accommodate expected growth in pensioner population, plus any increased unemployment within the working age population, as well as an allowance for contingencies.

- 3.3 Recognising the financial challenge faced by the Council, any changes to the scheme which increase costs above the current budgeted position would require the Council to identify alternative savings to mitigate.
- 3.4 It is recognised that Council Tax collection rate is being maintained close to historic levels, and this will be reflected in the tax base report.
- 3.5 The Council is committed to reducing Fraud and Error and the existing scheme has proven simple to understand, and administer in practice, which assists in this aim. Resources will be maintained to ensure Fraud and Error is at a minimum.
- 3.6 Support for our most vulnerable residents is currently provided through the local Welfare Support Scheme which is funded by Social Fund contributions. The government is withdrawing the funding for this scheme from 1st April 2015, support from the council will be considered as part of the Budget process for 2015/16.

4. CORPORATE OBJECTIVES

- 4.1 The delivery of Council Tax Support at a time of severe budget pressures remains a challenge.
- 4.2 The scheme provides incentive to work while, at the same time, protecting pensioners and vulnerable people, and therefore will support the Council objective of:
- Building a stronger economy

5. THE REPORT

- 5.1 Council Tax Benefit was replaced with the Local Council Tax Support scheme in April 2013.
- 5.2 The Government specified that certain groups such as pensioners will be protected and should see no changes to their entitlement. However, each Council can consider whether to protect other groups and how to fund any extra protections.
- 5.3 The current scheme protects claimants who are considered by the Council to be vulnerable.
- 5.4 The Council defined the vulnerable as those in receipt of a :
- Support Component of Employment and Support Allowance (ESA)
 - Enhanced Disability Premium
 - Enhanced Disability for Dependents
 - Disability Premium for Dependents
 - Severe Disability Premium

5.5 The claimants in receipt of the above premiums/components, are considered to be vulnerable as they are in need of care and support, and therefore could not be expected to work. Furthermore a concession in the scheme has been made for those households which include a disabled child.

5.6 For people other than pensioners or the vulnerable, the Council applies the criteria below for its Local Council Tax Support :

- Maximum eligible amount set at 78%
- Local Council Tax Support paid to a maximum Council Tax band D
- No Second Adult Rebate
- Child Benefit and Child Maintenance included as an income in calculation of entitlement
- No Underlying Entitlement
- Those people with Capital/Assets over £10,000 will not be entitled
- No non dependant deductions
- No entitlement to backdating.

5.7 For the third year of the scheme, the Council will update its policy document under Section 13a of the Local Government Finance Act 1992. This sets out the existing rules for assessing Local Council Tax Support, and will continue to apply from 1st April 2015. (existing Policy shown at Appendix1)

5.8 The scheme is designed to be simple and equitable across all groups, and it seeks to give incentive to work where possible.

5.9 Though there are alternatives, the current scheme is still considered the best option to meet the requirements through 2015-16.

6. RISK MANAGEMENT

6.1 The report author and Lead Cabinet Member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7. EQUALITIES

7.1 The Local Council Tax Support scheme reflects most of the characteristics of the former Council Tax Benefit scheme prior to April 2013, though it is simpler and therefore does not have an adverse effect on people that are particularly vulnerable or have protected characteristics.

7.2 A full Equality Impact Assessment on Local Council Tax Support was written when the scheme was created and this will continue to be reviewed in light of scheme outcomes.

8. CONSULTATION

8.1 Consultation on continuation of the scheme has already been conducted with Cabinet Member; Other B&NES Services; Section 151 Finance Officer; Chief Executive; Monitoring Officer; Staff.

8.2 In the absence of change to the scheme for 2015-16, there is no need to repeat a public consultation as was performed prior to initiation of Local Council Tax Support from April 2013.

9. ISSUES TO CONSIDER IN REACHING THE DECISION

Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff; Other Legal Considerations

10. ADVICE SOUGHT

The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director – Business Support) have had the opportunity to input to this report and have cleared it for publication.

| | |
|--|---|
| Contact person | <i>Ian Savigar, Director for Customer Services, Tel; 01225 477327</i> |
| Sponsoring Cabinet Member | <i>Councillor David Bellotti</i> |
| Background papers | |
| Please contact the report author if you need to access this report in an alternative format | |