

Bath & North East Somerset Council

DECISION MAKER:	Cllr Charles Gerrish, Cabinet Member for Resources	
MEETING/ DECISION DATE:	On or after 1st August 2016 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE: E 2881
TITLE:	Public Consultation of Preferred Local Council Tax Support Scheme	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Background document Summary of view gathering exercise Questionnaire		

1 THE ISSUE

- 1.1 The Authority is to implement a revised scheme for Local Council Tax Support from April 2017. We are proposing a public consultation of a preferred scheme to run between August and October 2016.

2 RECOMMENDATION

- 2.1 The cabinet member is to agree to proceed with 10 weeks public consultation on the preferred option for a Local Council Tax Support Scheme as detailed in this report.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Local Council Tax Support Scheme for working-age residents costs the Council circa £4,000,000 in reduced Council Tax payments to those eligible. In addition, there is a cost of administration associated with the scheme in the region of £320,000.
- 3.2 The preferred option that is proposed does not aim to reduce the level of funding available to residents, although any change in scheme will generate some variations. In order to ensure a smooth transition to the new scheme it is proposed that any reduction in the scheme awards is allocated to Local Welfare Support, so that those most severely impacted should be able to seek additional help and support based on their individual circumstances. Current modelling

suggests that around £100,000 additional funds will be made available to provide for Local Welfare Support.

3.3 The preferred option has been modelled to minimise the impact on those currently in receipt of Local Council Tax Support and residents will not move over to the new scheme until they are in receipt of Universal Credit.

3.4 The simplification of the scheme is intended to not only make things easier for the customer to understand but also to enable reduced administration costs. Within our current strategic review the initial change to the scheme should deliver £70,000 of admin savings and these should be achieved through natural staff turnover where possible.

3.5 It is important to note that this £70,000 saving will be made from the service Revenue budget and will not reduce the circa £4,000,000 cost of the scheme.

3.6 In addition, the cost of investment and consultation is planned to be met from within existing resources.

3.7 There are no anticipated impacts on major preceptors as a result of the proposed changes.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 The Council has a statutory requirement to set a Local Council Tax Support scheme for working-age customers and it must consult upon its preferred scheme each year.

4.2 A recent National consultation was conducted by the Department for Communities & Local Government into best practice relating to Local Council Tax Support and the approach, but at this stage no changes to the legislative requirements have been made.

4.3 An Equality Impact Assessment in relation to the preferred scheme has been carried out and shared with the decision maker.

5 THE REPORT

5.1 Council Tax Support helps people on a low income by reducing the amount of Council Tax they have to pay.

5.2 Bath & North East Somerset Council, like every other council, had to put in place a Local Council Tax Support scheme to replace Council Tax Benefit from April 2013.

5.3 The Government specified that pensioners should see no changes to their entitlement under the local schemes, but gave Councils the discretion to implement rules applicable to people of working age. Our local scheme was set and agreed in November 2012 and to-date has remained unchanged.

- 5.4 With further reductions in government funding expected over the coming years, the Council has reviewed the current scheme and is proposing to make some changes from April 2017. The Council is seeking to reduce the administrative cost of Council Tax Support by implementing a less complicated scheme, which will be easier for claimants to understand and apply for. The revised scheme will also align with wider Welfare Reforms and the roll out of Universal Credit.
- 5.5 The proposed scheme looks to spread the impact of the changes and protect those with the lowest incomes, as well as maximising incentives for people to work.
- 5.6 The Council is proposing to introduce an income-banded scheme where the maximum level of support available is the same for all working-age claimants. In future, eligibility for Council Tax Support will be linked with a person's entitlement to Universal Credit.
- 5.7 The information held on a person's Universal Credit claim will be used to determine which income band they fall into and the amount of Council Tax Support they are entitled to. The Department for Work and Pensions (DWP) will provide the Council with this information so a claimant will no longer need to make a separate application for Council Tax Support.
- 5.8 Whilst the Council believes that the proposed changes will have little impact on the majority of claimants, the reduction in the overall amount of support available to working age claimants, including those in receipt of disability benefits, will allow for additional funding to be allocated to the Council's local Welfare Support fund. This will enable the Council to offer more targeted, effective and longer-term assistance to those most in need.
- 5.9 Details relating to the key features of the current scheme and the proposed new scheme are attached in the background document at Appendix 1. This will also be part of the information provided with the public consultation questionnaire.

6 RATIONALE

- 6.1 As described in the report there are a number of drivers for changing the current Local Council Tax Support Scheme; these include:-
- (1) The scheme has not been updated since April 2013 when it was introduced, which means it has not kept pace with other changes to Housing Benefit rules or Welfare Reforms.
 - (2) The current scheme is complicated and difficult to understand, it requires a revised calculation and amended demand notice to be issued every time a claimant's circumstances change.
 - (3) We want a new scheme to align with the principles of Universal Credit; allowing simple and understandable rules. A safety net for those most impacted by the change will be provided by an enhanced Local Welfare Support Scheme.
 - (4) In order to minimise the impact on existing customers the scheme will be phased in from April 2017, with only those households receiving Universal Credit moving to the new scheme.

7 OTHER OPTIONS CONSIDERED

7.1 The Council has considered a number of proposals for revised Council Tax Support schemes for people of working age, and has already sought views from key stakeholders around the principles of the scheme before deciding upon a preferred option to put forward for public consultation.

8 CONSULTATION

8.1 A period of consultation took place during May involving a number of our key internal and external support service partners. The purpose of this exercise was to gather views on the principles of the proposed scheme in advance of the public consultation. The responses were supportive of the proposals and a summary is included in the appendices. Subsequently, as a result of this feedback and discussion with the Cabinet Member, it was agreed that a further principle would be included to identify the fact that the new scheme aligned with Universal Credit and the wider Welfare Reforms.

8.2 Police and Fire Services as major Preceptors are being consulted prior to the issue of Public Consultation documents in relation to the scheme and the impacts on them as major Preceptors.

8.3 The public consultation for the preferred scheme will be open for a period of 10 weeks, from 8th August – 16th October 2016. A questionnaire will be available on the Council's website for all local residents, key stakeholders, partner organisations and parish & town councils to have the opportunity to respond and comment on the Council's preferred scheme.

8.4 Around 5,500 working-age people across Bath and North East Somerset currently claim Council Tax Support. We will be writing to these people directly to ask them for their views on the proposed scheme.

8.5 Once the consultation is concluded a final decision on implementing the scheme will be made at a full council meeting in November 2016 in order that the changes can take effect from April 2017.

9 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	Ian Savigar, 01225 477327
Background papers	<i>List here any background papers not included with this report, and where/how they are available for inspection.</i>
Please contact the report author if you need to access this report in an alternative format	