

Report To:	EXECUTIVE CABINET
Date:	28 June 2017
Executive Member/Reporting Officer:	Councillor Jim Fitzpatrick – First Deputy Performance and Finance Ilys Cookson – Assistant Executive Director – Governance, Resources & Pensions.
Subject:	COUNCIL TAX SUPPORT SCHEME
Report Summary:	This report details the procedural requirement in deciding if changes are required to the Council Tax Support scheme (CTS), to become effective from April 2018. The scheme cost and claimant numbers continue to decline and support for claimants remains in place. There appears to be no adverse equality impact assessment arising from the quarterly reviews that take place and further guidance, which may have a bearing on the scheme, from the DCLG is not expected.
Recommendations:	That a RECOMMENDATION is made to Council that the Council Tax Support scheme for 2018/19 in principle remains the same scheme as that set effective from April 2017, subject to annual benefit uprating as detailed in the scheme and any further guidance which may be issued by DCLG..
Links to Community Strategy:	The Council Tax Support (CTS) scheme assists the most financially vulnerable in the Borough by providing means tested financial support towards Council Tax costs.
Policy Implications:	In line with Council policy and guidance from DCLG.
Financial Implications: (Authorised by the Section 151 Officer)	By its nature the cost of the Council Tax Support Scheme will vary from year to year, and indeed in-year, depending on the number of residents who qualify for support. This is clearly illustrated in the tables in para 3.1 and 3.3 of the report. No changes to the Scheme are being recommended and as such there are no financial implications over and above the normal in-year fluctuations.
Legal Implications: (Authorised by the Borough Solicitor)	Under Appendix 4 paragraph 5 (2) of the Local Government Finance Act 2012, the Council must agree any changes to its discretionary scheme by 31 January each year, which must be in accordance with the Council Tax Reduction Scheme (Prescribed Regulations)(England) Regulations 2012 as amended, as must its appeal process. This includes whether there is to be nil change as proposed here. An equality impact assessment in accordance with the public sector equality duty is continually undertaken every quarter. Having set a discretionary scheme, the Council must also be mindful of recent case law (including R (Logan) v the London Borough of Havering – 6.11.15) when applying the scheme. In particular, it may not be considered reasonable to refuse hardship funding on the basis that the hardship fund is exhausted (paragraph 8.9 of this report). Any claim for hardship must be considered on its merits only and careful consideration should be

given to the impact of any restrictions on those of working age, and or those that have a disability.

Risk Management:

The scheme is legally compliant in the way it has been set and the decision to consider if the scheme needs to change is part of the process to set the scheme for the future year.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer Ilys Cookson:

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1 BACKGROUND

- 1.1 The Welfare Reform Act 2012 contained provision to abolish Council Tax Benefit. The Government replaced it with a power for each local authority to have its own locally set council tax reduction scheme. The necessary primary legislation is included in the Local Government Finance Act, passed on 31 October 2012, which contained provision that Councils wishing to implement a local scheme must have the scheme approved by 31 January each year.
- 1.2 The local scheme was funded in the first year by way of a fixed grant, which the Department of Communities and Local Government (DCLG) have determined as being 90% of the 2011/12 outturn for Council Tax Benefit expenditure. In real terms this reduction in funding equated to 17.3% for Tameside for 2013/14 and a local council tax support scheme was set taking into account the costing envelope available.
- 1.3 Tameside's own local Council Tax Support (CTS) scheme was set at the Council meeting on 21 December 2012. The scheme was adopted to a challenging timescale additionally, the Universal Credit Regulations 2013, on which the principals of the Council Tax Support Scheme were based, was not passed through parliament until 25 February 2013.
- 1.4 The 2013/14 CTS scheme, which had been in place since 1 April 2013 was revised after consultation had been carried out with the public between 14 September 2015 and 30 November 2015. The Police Authority and Fire and Rescue Authority precepting bodies were also consulted. The scheme was further revised following consultation during 2015 with the public and precepting bodies and the following elements were introduced to the scheme from 1 April 2016:
- Capping support to a Band A property.
 - Reduce the maximum CTS award to 75%.
 - Align deductions for non-dependents of working age to the same level as those in the prescribed scheme for claimants of pensionable age.
 - Non-dependent deductions are disregarded for CTS claimants in receipt of a Staying Put payment.
- 1.5 In consideration of setting the local CTS scheme for 2018/19 this reports sets out:
- What the Council is required to do
 - The Council Tax Support scheme in operation

2 INTRODUCTION

- 2.1 The Council must adopt a Council Tax Support Scheme no later than the 31 January before the start of the financial year to which the scheme applies in accordance with the Local Government Finance Act 1992.
- 2.2 Paragraph 5(1) of Schedule 1A to the 1992 Act states that;
'For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.'
- 2.3 The purpose of this report is therefore to consider the following:
- a) That the current CTS scheme remains in place in 2018/19 or;
 - b) That the current CTS scheme is revised for 2018/19.
- 2.4 Where a CTS scheme is to be revised then legislation is clear on the requirements to consult the public and precepting bodies prior to any changes to the scheme. Full consultation has taken place prior to previous revisions to the scheme.

- 2.5 The legislation is also clear that the Council must decide on the scheme to be set no later than the 31 January before the start of the financial year to which the scheme applies, in accordance with the Local Government Finance Act 1992, and which is subject to an annual key decision. In considering whether there should be revisions to the current scheme the current operation and costs of the scheme should be considered, in addition to any guidance released by central government or by direction of the Valuation Tribunal Service which consider appeals for local Council Tax Support schemes.

3 CURRENT OPERATION AND COSTS

- 3.1 The number of claimants and cost of the scheme has reduced steadily over the years as detailed below:

Table 1: Claimant numbers by year from April 2013

Total claimants April 2013	Total claimants April 2014	Total claimants April 2015	Total claimants April 2016	Total claimants April 2017
23,716	23,231	22,029	20,889	20,087

- 3.2 Claimant caseload fluctuates on a daily basis and overall there has been a downward trend on overall claimant numbers from 1 April 2013. The caseload continued to fall during 2016/17 even though the scheme changed from April 2016 and residents had more to pay in Council Tax due to the Council Tax rises in April 2016 and in April 2017; however this decline appears to follow the pattern from previous years. The fall is unlikely to be attributed to the changes introduced to the scheme which became effective from 1 April 2016 because, while the changes affected the majority of existing claimants by way of a reduced amount of CTS awarded, it did not change the eligibility criteria.

- 3.3 **Table 2 Costs of CTS scheme by year**

April 2013	April 2014	April 2015	April 2016	April 2017
£16.6m	£15.94m	£14.9m	£14.3m	£13.7m

- 3.4 Although the Council Tax increased in 2016/17 and in 2017/18 and included an adult social care precept, in addition to the CTS scheme change in requiring that all claimants pay at least 25% of their Council Tax liability, the actual scheme costs have continued to fall.
- 3.5 Scheme costs, claimant numbers and equalities data is monitored every quarter. This regular monitoring has not highlighted any real impacts from the changes as detailed above and the scheme is operating as expected.
- 3.6 Hardship relief continues to be available to any person who is experiencing financial hardship as a result of the CTS scheme. The purpose of the Hardship Fund is to mitigate the potential risk that some claimants may, in exceptional circumstances, suffer severe financial hardship as a result of the introduction of the scheme or changes to the scheme and may apply for additional monies to help pay their Council Tax. The Hardship Fund totals £5k in 2016/17. Hardship funding is identified from existing budgets and is currently administered via the Tameside Resettlement Scheme. However this amount does not exclude approved applications being granted should the maximum allocated funding being exceeded.

- 3.7 Residents may also obtain advice and assistance on the Hardship Fund and Council Tax Support scheme from the Council's Benefits Service, Citizens Advice Bureau, Tameside Welfare Rights Service and other local advice services such as MiNT.
- 3.8 Two applications for Hardship Relief were received in the 2016/17 financial year; one of which was successful and a total of £166.43 has been paid.

4.0 OTHER FACTORS TO BE CONSIDERED

- 4.1 The Valuation Tribunal Service considers appeals by any resident with regard to Council Tax Support schemes. The Tribunal Service is independent of the Council. On occasion the Valuation Tribunal may advise a Local Authority to reconsider elements of the scheme which can be for a number of reasons and, bearing in mind that each Local Authority will set its own scheme, so any decision of the Tribunal can only be directed to the Local Authority scheme being considered at appeal.
- 4.2 Tameside has not received any direction from the Valuation Tribunal Service in 2016/17 from the 4 cases heard and all appeals have been upheld. All 4 cases related to different matters such as income too high and did not qualify, or absence from the property and so CTS would not be paid. Two cases are listed to be heard to date in the current financial year.
- 4.3 The Department of Communities and Local Government (DCLG) have not issued any guidance on what Local Authorities should consider including in their local scheme for the forthcoming financial year. Should DCLG release guidance at a future date then this would be included in a revision to the scheme to be set in January 2018.

5.0 EQUALITIES REVIEW

- 5.1 A review of equalities information takes place every quarter to ensure that the CTS scheme is operating as expected and to ensure that no one equalities group is adversely affected. The equalities groups considered are by age, gender, disability and maternity. The categories of gender reassignment, sexual orientation and religion or belief are not considered as this information is not required to be held when processing Council Tax Support which is a means tested benefit.
- 5.2 The last quarterly review in March 2017 revealed that there continues to be no specific adverse impact on any specific equalities group. Detailed equalities analysis is included in the annual CTS reporting document, which is considered by the First Deputy, Performance and Finance.

6 RISKS

- 6.1 The decision as to whether to change the CTS scheme for the forthcoming year carries the risk of DCLG issuing guidance which Local Authorities must take into account in implementing any future scheme. DCLG are aware of the legislative timescale within which a local scheme must be set. Therefore should DCLG wish to issue guidance to be included in a future year's scheme then every Local Authority would be in the same position of a tight timescale within which to consult and redraft the scheme. The same applies with an outcome arising from a Tribunal decision however such matters cannot be foreseen.
- 6.2 In making a decision as to whether or not the scheme as set from April 2017 should continue in April 2018 is complying with the procedural matter as set in Paragraph 5(1) of Schedule 1A to the 1992 Local Government Finance Act.

7.0 CONCLUSIONS

- 7.1 At the present time there does not appear to be any external influences or internal requirement to revise the scheme for any reason. The scheme is operating as expected when the scheme was set in January 2017 to take effect from April 2017.
- 7.2 Should any revisions be considered then a full consultation would take place on the scheme change with members of the public and precepting bodies in accordance with guidance issued from DCLG. The Councils Executive Cabinet would be requested to consider the findings prior to the scheme for 2018/19 being set in January 2018.
- 7.3 The costs of the CTS scheme and the overall claimant numbers continue to fall, and hardship relief and other support methods continue to be available to the public. The Valuation Tribunal has not recommended a revision to Tameside's CTS scheme and the 4 appeals that have been considered have been upheld.
- 7.4 DCLG have not issued further guidance to Local Authorities in respect of designing local Council Tax Support schemes, and, at the present time, further instructions on setting a local scheme are not expected.

8 RECOMMENDATIONS

- 8.1 As set out on the front of this report.