

Report To:	EXECUTIVE CABINET
Date:	7 February 2018
Executive Member/Reporting Officer:	Cllr Bill Fairfoull – Executive Member (Finance & Performance) Illys Cookson – Assistant Director (Exchequer)
Subject:	COUNCIL TAX SUPPORT SCHEME
Report Summary:	This report details the procedural requirement in setting 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, has not been received from the DCLG of the Tribunal Service.
Recommendations:	That a RECOMMENDATION is made to Council that the Council Tax Support scheme for 2018/19 remains the same scheme as that set effective from April 2017, subject to annual benefit uprating as detailed in the scheme.
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)	<p>Council Tax increased in 2017/18 by 4.99% (including 3% Social care precept), however changes to the CTS scheme in 2016 and reduced demand for the scheme, meant that the cost of the scheme has fallen from £14.3m in 2015/16 to £13.7m in 2016/17. The scheme cost in 2017/18 is expected to be £13.9m. Any increase in Council Tax from April 2018 will have the effect of increasing scheme costs however the continual year on year reduction in demand suggests that the scheme costs may decrease. Scheme costs will continue to be closely monitored.</p> <p>The CTS scheme requires that all working age claimants pay at least 25% of their Council Tax liability. A mayoral precept and a Council Tax increase are expected from April 2018. Any increase in Council Tax will increase the amount of Council Tax liability for claimants and will impact on the customer's ability to pay.</p> <p>As increases in Council Tax will impact on the customer's ability to pay, £50k has been allocated to the Hardship Fund to support households facing exceptional hardship as a result of Council Tax liability. This £50k is being funded from existing revenue budgets.</p>
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 11 March 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 3.5 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 set the scheme for the future year is part of the scheme setting process.

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; however the Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 No.2017/1305 changed this date to 11 March 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 From April 2014 the Council has had to fund the council tax support scheme from the general allocation of the central government grant for all the Council's services. The 2013/14 CTS scheme which had been in place since 01 April 2013 was revised after consultation had been carried out with the public from 14 September 2015 until 30 November 2015. The Police Authority and Fire and Rescue Authority precepting bodies were also consulted. The following elements were introduced to the scheme from 01 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 2018/19.

2 INTRODUCTION

- 2.1 The purpose of this report is to set the Council Tax Support Scheme for 2018/19 in accordance with procedural requirements.
- 2.2 The Council must adopt a Council Tax Support Scheme no later than 11 March before the start of the financial year to which the scheme applies in accordance with the Local Government Act 1992 and as amended by the Council Tax Reduction Schemes (Amendment) (England) Regulations 2017.
- 2.3 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'.
- 2.4 Executive Cabinet considered a report on 28 June 2017 and recommended 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.

- 2.5 The minutes of the Executive Cabinet of 28 June 2017 were considered and the same scheme set and approved at Full Council on 25 July 2017.
- 2.6 This report therefore sets the Council Tax Support scheme for 2018/19. As no further guidance has been issued from DCLG, the same scheme is to be set for 2018/19 as that set effective from April 2017, subject to annual benefit uprating as detailed in the scheme. Precepting bodies have been informed that the 2018/19 scheme will be unchanged from that which was set in 2016, and therefore there will be no impact on the precept budgets as a result of this. The Council Tax Support Scheme for 2018/19 is detailed at **Appendix 1**.

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 number by year from April 2013

Total claimants April 2013	Total claimants April 2014	Total claimants April 2015	Total claimants April 2016	Total claimants April 17	Total claimants Jan 2018
23,716	23,231	22,029	20,889	20,087	19,799

- 3.2 Claimant caseload fluctuates on a daily basis and overall there has been little although residents had more to pay in Council Tax due to the Council Tax rise 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 01 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. Table 2 Costs of scheme by year.

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

April 2013	April 2014	April 2015	April 2016	April 2017	Jan 2018
£16.6m	£15.94m	£14.9m	£14.3m	£13.7m	£13.9

- 3.4 Scheme costs, claimant numbers and equalities data is monitored every quarter. This regular monitoring has not highlighted any impact from the 2016 changes to the scheme and the scheme is operating as expected.
- 3.5 The Hardship Fund continues to be available to any person experiencing financial hardship as a result of the scheme and which has been set at £50k for 2018/19 in recognition of the continuing Adults Social care Precept, the new Mayoral Precept and any potential increase in Council Tax. The amount of Hardship Funding available is not a procedural requirement and is met from existing revenue budgets and this amount does not exclude approved applications being granted should the maximum allocated funding being exceeded. The Hardship Fund is currently administered via the Tameside Resettlement Scheme. The Hardship Fund Policy is detailed at **Appendix 3**. 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

4.0 OTHER FACTORS TO BE CONSIDERED

- 4.1 The independent Valuation Tribunal Service considers appeals from any resident with regard to the Council Tax Support scheme. The Tribunal may advise a Local Authority to reconsider elements of the scheme. Tameside Council has not received any direction from the Tribunal Service since the decision was taken in principle in June 2017 to set the same scheme from April 2018 as that set in April 2017.
- 4.2 In January 2018 the Government released 'The Government response to an independent review of Council Tax Support Schemes'. The review focused on the effectiveness, efficiency, fairness and transparency of the various local council tax support schemes and their impact on the localism agenda, and whether or not the schemes should be included in Universal Credit. The review report was published in April 2016 and Local Authorities and other stakeholders were consulted on the report findings. The Government considered the consultation responses and published their report which can be found via the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/676786/LCTS_Government_Response.pdf.

- 4.3 While it is noted that consultation responses have been considered by CLG only one recommendation has resulted in change. This change relates to the date by which Council Tax Support Schemes are set each year. The date for setting the scheme for the next financial year has now moved from 31 January to 11 March each year and which is contained in the Council Tax Reduction Schemes (Amendment) (England) Regulations 2017, as detailed in section 2.2 of this report. CLG have confirmed that *'Council Tax Support is now rightly a localised benefit and the Government has no plans to roll it into Universal Credit'*.

5.0 EQUALITIES REVIEW

- 5.1 A review of equalities information takes place every quarter to ensure that no one equalities group is adversely affected. The continuing monitoring has revealed there are no specific adverse effects on any specific equalities group. A full equalities impact assessment was undertaken when the scheme was set effective from April 2013 and revised when the scheme was revised in 2016. The EIA is detailed at **Appendix 2**.

6 RISKS

- 6.1 In setting the local Council Tax support scheme for 2018/19 it is important to consider the risks in doing so. The scheme must be set by 11 March 2018 otherwise the default scheme will apply. Costs associated with the default scheme were estimated to be in excess of £3.2m in 2013/14, and this is likely to increase depending on demand and the amount of council tax support paid.
- 6.2 There is a continued risk that demand for support could increase and scheme costs would then increase. It is not possible to predict the number of people that may claim council tax support in the future, however the evidence gathered to monitor the effects of the scheme on a quarterly basis show a sustained decrease in demand since the scheme was introduced in April 2013. Implementation of a local scheme will mean that some people are paying Council Tax for the sixth year as all benefit claimants must pay at least 25% of their Council Tax liability.

7 CONCLUSIONS

- 7.1 There are no external influences or internal requirements to revise the scheme for any reason. The scheme is operating as expected when the scheme was set in January 2017 and effective from April 2017.
- 7.2 The costs and demand for the scheme have fallen and hardship relief and other support remains in place and available to the public. The Valuation Tribunal Service has not recommended any changes to the scheme. DCLG have not issued any guidance in respect of designing a local scheme and no further guidance is expected.

8 RECOMMENDATIONS

- 8.1 As set out at the front of the report.