

**REPORT OF: FINANCIAL SERVICES MANAGER**

**TO: EXECUTIVE**

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**LOCAL SCHEME OF COUNCIL TAX SUPPORT  
2018/19**

**PURPOSE OF REPORT**

1. The purpose of this report is to request the Executive to refer the proposed local scheme of Council Tax Support for 2018/19 to Council for approval and implementation with effect from 1<sup>st</sup> April 2018.

**RECOMMENDATIONS**

2. The Executive is recommended to:
  - (a) refer the proposed local scheme of council tax support at [Appendix A](#) to Council in December for approval with an implementation date of 1<sup>st</sup> April 2018;
  - (b) request that Council grants delegated authority to the Financial Services Manager, in consultation with the Executive Member for Finance, so as to make any amendments to the scheme resulting from the annual updating of the detailed regulations which underpin the primary legislation.

**REASONS FOR RECOMMENDATION**

3. The Council is required to approve a local scheme of Council Tax Support by 31<sup>st</sup> January for the following financial year. As there is no Council meeting in January the Executive is asked to refer this matter to Council on 21<sup>st</sup> December.

**ISSUE**

*Background*

4. The Council implemented a local scheme of council tax support in April 2013 in response to national changes instigated by the Government as part of its programme of welfare reforms. The local scheme replaced the former national system of Council Tax Benefit and introduced Council Tax Support which operates as a discount applied to the recipient's council tax bill.

5. Under the scheme requirements, set nationally, pensioner age claimants were protected and continued to receive support which ensured they were no worse off under the new scheme; working age claimants were subject to a local scheme with billing authorities such as Pendle responsible for devising their own scheme of assistance.
6. The Council formally approved its local scheme in December 2012 and this was implemented on 1<sup>st</sup> April 2013. A copy of the report to Council in December 2012 is available on-line at <http://www.pendle.gov.uk/meetings/meeting/1449/council> (item 12 refers).
7. The current arrangements require Councils to approve their local schemes of support annually by 31<sup>st</sup> January for the following financial year. The Council's current scheme for 2017/18 was approved by Council in December 2016. This included a number of technical changes implemented to align the council tax support scheme with the Housing Benefit framework for working-age claimants.

### ***Proposed scheme of local council tax support for 2018/19***

8. The proposed scheme retains the current means-testing process which, with various disregards and premiums applied, ensures that the circumstances of vulnerable residents are taken into consideration when determining the level of financial support. Alongside the scheme, the Council operates a Council Tax Hardship Scheme to deal with cases of extreme financial hardship.
9. **There are no local changes proposed to the Council's scheme for 2018/19; the maximum level of support working age claimants is maintained at 80%.** To provide Councillors with some additional information and context for schemes of council tax support nationally, a copy of information as presented to the Budget Working Group earlier this year is attached at **Appendix B**.
10. Whilst no changes are being proposed by the Council for next year it should be noted that each year the Department for Communities and Local Government update the Prescribed Requirements Regulations which (a) uprate the relevant premiums, allowances and deductions and (b) keep the regulations consistent with housing benefit regulations. At the time of writing this report the updated information for 2018/19 had not been issued hence the scheme provided at **Appendix A** reflects current parameters.
11. As there is no Council meeting in January 2018, the intention is to report the proposed scheme for 2018/19 to Council in December and request delegated authority for the Financial Services Manager, in consultation with the Executive Member for Finance, to conclude the scheme once the above matters have been completed. Following this, the final scheme will be published on the Council's website and come in to effect from 1st April 2018.

## **IMPLICATIONS**

### **Policy**

12. There are no new policy implications arising from the contents of this report.

### **Financial**

13. As at the 31<sup>st</sup> October there were 8,181 residents in receipt of council tax support. A split by category showing the average weekly entitlement is shown in the table below.

Category	Caseload	Avg. weekly entitlement £	Annual Cost £'000
Working Age	4,913	14.07	3,595
Pension Age	3,268	18.43	3,132
<b>Total</b>	<b>8,181</b>	<b>15.81</b>	<b>6,727</b>

14. The award of council tax support is applied directly as a discount to the council tax bill rather than paid as a benefit. The total value of support provided reduces the council tax base and variations in actual cost compared to that estimated at the start of the year forms part of the surplus or deficit on the collection fund each year which is apportioned between the Borough Council and the major preceptors.
15. There is no change in the maximum level of support provided under the current scheme of support; this is maintained at 80%. The current scheme of hardship relief will also be maintained to provide additional support in exceptional cases.

### Legal

16. The statutory provisions for localised schemes of Council Tax Support are contained in the Local Government Finance Act 2012. As indicated in the report, the Council is required to approve its local scheme of support by 31<sup>st</sup> January each year.

### Risk Management

17. There are mainly compliance and financial risks associated with the operation of a local scheme of council tax support. The scheme must have regard to regulations and other statutory provisions. These extend to consultation when changes are proposed and this must be meaningful and allow an appropriate period of time. Financial risks stem from the potential volatility regarding caseload and associated costs. The former risks are managed in conjunction with Liberata who administer the Council's scheme and include the use of external consultancy support to advise on technical matters. Financial risks are managed through the Council's existing budget framework and arrangements for regular monitoring.

### Health and Safety

18. There are no health and safety implications arising directly from the contents of this report.

### Climate Change

19. There are no climate change or sustainability implications arising directly from this report.

### Community Safety

20. There are no community safety issues arising directly from the contents of this report.

### Equality and Diversity

21. There are no equality and diversity implications resulting from the recommendations in this report. Subject to approval, the scheme is not changing for 2018/19 save for the annual uprating of parameters by Government.

### APPENDICES

Appendix A – draft scheme of local council tax support for 2018/19

Appendix B – information from the New Policy Institute on local schemes of council tax support

### LIST OF BACKGROUND PAPERS

None.