

TRAFFORD COUNCIL

Report to: Council
Date: 20 January 2016
Report for: Decision
Report of: Executive Member for Finance and the Director of Finance

Report Title

Council Tax Support Scheme for 2016/17

Summary

There is a legal requirement to formally approve the Council's local Council Tax Support scheme before the start of each financial year. It is proposed that the scheme remains in large as it is with minor amendments proposed to reflect the national changes to income related benefits. There are small amendments in the prescribed regulations which the Council has to adopt.

Recommendation(s)

That Full Council adopts the Council Tax Support (CTS) scheme currently in operation with the inclusion of the amendments detailed below for 2016/17:

- 1) Applicable amounts for working age claimants are frozen in line with the national income related benefit rates (state pension age rates are contained within the prescribed regulations)
- 2) That the remaining funding allocated to the CTS discretionary fund when it was first introduced in April 2013 is rolled over into 2016/17. This is estimated to be approximately £17k by the end of the financial year.

Contact person for access to background papers and further information:

Name: Louise Shaw
Extension: 3120

Background Papers: None

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| Relationship to Policy Framework/Corporate Priorities | Low Council Tax, Value for Money and services focused on the most vulnerable people |
| Financial | The applicable amounts changes will be matched by the corresponding change or freezing of benefit income. The cost impact to the scheme is therefore negligible and will be absorbed within the budgeted CTS costs. |
| Legal Implications: | The Council has to formally set its local CTS scheme before 31 January 2016, in order for the scheme to be formally adopted for 2016/17. This is in accordance with the Local Government Act 2012. Amendments to the prescribed scheme are detailed in SI 2015 No 2041. |
| Equality/Diversity Implications | The minor amendments proposed are not considered to have any significant effect on groups with protected characteristics. |
| Sustainability Implications | None |
| Resource Implications e.g. Staffing / ICT / Assets | The changes will be made alongside the annual uprating and billing exercise. |
| Risk Management Implications | None |
| Health & Wellbeing Implications | None |
| Health and Safety Implications | None |

1.0 Background

1.1 In April 2013, the Council implemented its new local Council Tax Support (CTS) Scheme, which was designed to reduce expenditure and contribute towards the £1.25m funding gap caused by a reduction in government grant. The new scheme was designed following an extensive 12 week consultation and has helped to reduce costs and protect the most vulnerable.

1.2 A review of the current scheme has shown it is operating effectively. In summary:

- The scheme has produced the necessary savings;
- The scheme has not impacted on Council Tax collection rates which remain on target;
- Demand for the discretionary payment scheme remains low;
- There have been no appeals to the Valuation Office Agency against the local CTS scheme; and
- The CTS scheme has provided additional financial assistance to the long term unemployed who are starting work.

1.3 It is important to note that the recommendations listed in this report apply to working age customers only as, in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations as amended, local authorities are advised annually of the CTS qualifying criteria for customers who are state pension age.

2.0 Introduction

2.1 For each financial year, each billing authority must consider whether to revise its local CTS scheme or to replace it with another scheme. It is proposed that the existing scheme remains largely as it is, with minor amendments recommended below.

2.2 The revisions to the scheme will take effect from 1 April 2016.

3.0 Recommended Minor Changes to the Scheme for 2016/17

3.1 Recommendation 1

3.1.1 *That the applicable amounts are frozen at their current rate to keep them in line with national income related working age welfare benefits, including Housing Benefit in 2016/17.*

3.1.2 The freezing of applicable amounts will be matched with a corresponding freeze in benefit income and will have a neutral impact on a claimants CTS award where their circumstances remain the same

3.1.3 The cost of implementing this change is therefore negligible and can be absorbed within the budgeted forecasted CTS expenditure.

3.2 Recommendation 2

3.2.1 *That the remaining budget allocated to the discretionary fund is rolled over into 2016/17. This is estimated at c£17k.*

3.2.2 To help with the transition from Council Tax Benefit to CTS, Members agreed that a discretionary fund should be set up to help residents on a case by case basis. A fund of £50k was initially set aside for this purpose. This supports and aligns to the discretionary fund in place for help towards housing costs.

3.2.3 Although take up of the fund has been lower than expected, it has proved to be a useful tool, helping many residents in financial difficulties and debt to pay their Council Tax, in particular with the abolition of backdating when the new scheme was introduced.

Other Options

The Council could decide not to set a scheme and the default scheme would apply in accordance with the Local Government Finance Act 2012. However, this would have significant financial impact on the Council. The Council could also decide to set an alternative scheme, however, to do so without rationale and evidence from the operation of the current scheme in the timescales required would carry significant risks.

Reasons for Recommendation

The Council must adopt a local CTS scheme no later than 31 January before the start of the financial year to which the scheme applies in accordance with the Local Government

Finance Act 2012. The proposed change is to align the local scheme with the national benefit rates ensuring the basic living rates according to national guidelines are met.

Key Decision: Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance GB
Legal Officer Clearance JLF

CORPORATE DIRECTOR'S SIGNATURE *Signature appended in hard copy*