

<b>Subject:</b>	Local Council Tax Support Scheme 2016/17	<b>Status:</b>	For Publication
<b>Report to:</b>	Overview and Scrutiny Council	<b>Date:</b>	16 <sup>th</sup> November 2015 9 <sup>th</sup> December 2015
<b>Report of:</b>	Head of Customer Services & I.C.T.	<b>Portfolio Holder:</b>	Customer Services and Health
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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1.	<b>RECOMMENDATION(S)</b>
1.1	That Overview and Scrutiny recommend Full Council to approve the Local Council Tax Support Scheme for 2016/17 as set out in this report.

## 2. PURPOSE OF REPORT

- 2.1 To seek approval of Rossendale Borough Council's Local Council Tax Support Scheme for 2016/17.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
  - **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
  - **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 The Local Council Tax Support Scheme is subject to annual approval, by full Council.

The Local Government Finance Bill states that an Authority must make any revision to its scheme, or any replacement scheme, **no later than 31 January** in the financial year preceding that for which the revision or replacement scheme is to have effect.

## 5. BACKGROUND AND OPTIONS

- 5.1 Council Tax Benefit was replaced by a Local Scheme of Council Tax Support in April, 2013.

Funding to Local authorities to pay for this support was reduced in 2013/14 from 100% subsidy to a grant of 90% (£871K). This value of this does not move as demand levels change and has now been merged into the main local authority funding and subject to cuts in line with the Government's austerity agenda.

- 5.2 The scheme approved in December 2012 and adopted by Rossendale Borough Council matched the previous Council Tax Benefit scheme but with a 20% reduction in entitlement for those of working age. Extensive consultation was undertaken on this scheme and it was broadly supported.
- 5.3 Our Local Council Tax Support scheme is based, in a large part, on the previous Council Tax Benefit scheme. As such it remains a means tested benefit in all but name.
- 5.4 Whilst local authorities are able to set their own Council Tax Support Schemes, based on local circumstances and needs, all local authorities are required to provide pensioners with the same level of support received under the previous national Council Tax Benefit Scheme.
- 5.5 Consequently, most local authorities now have hybrid schemes, whereby those of pensionable age receive up to 100% of their Council Tax bill in support, whilst the maximum level of support for working age customers is typically lower. In Rossendale the level of support is currently up to a maximum of 80%.
- 5.6 The table below shows the cost of the Local Council Tax Support Scheme to RBC (Column D) and also the Government Grant received (Column F). The projected cost of the Local Council tax support scheme for 15/16 is circa £123k, this is despite a reduction to the actual value of local Council Tax Support awarded.

	<b>A</b>	<b>B</b>	<b>C = A + B</b>	<b>D = C x 16%</b>	<b>E</b>	<b>F = D - E</b>
Financial Year	Local Council Support - Pensioners	Local Council Tax Support - Working Age	Total Cost - Local Council Tax Support	Rossendale Council Share	Central Government Grant	Cost to RBC vs Grant Funding
2013/14	2,447,867	3,000,635	5,448,502	871,760	872,000	(240)
2014/15	2,362,760	2,587,650	4,950,410	792,066	828,013	(35,947)
2015/16	2,273,315	2,526,967	4,800,283	768,045	645,000	<b>123,045</b>

- 5.7 In July 2015, the Government's Summer Budget announced a number of important changes to welfare benefits. These changes will result in claimants generally receiving less income through welfare benefits in the future.
- 5.8 The main change which could have a potential impact on the cost of our Council Tax Support Scheme is the reduction of Working Tax Credit. If the customer's income goes down, their entitlement to Council Tax Support will increase. It is extremely difficult to measure the impact of this change but officers within the Council have undertaken some initial modelling which estimates that this change could result in an increase in spend of approx. £114,000, of which RBC's share would be £18,000.
- 5.9 It should be noted that legislation in relation to the change to Working Tax Credits has yet to be finalised and therefore subject to change. The Council has no control over this change.
- 5.10 Rossendale along with the other East Lancashire Authorities have arranged to meet at the end of April 2016 to discuss our Council Tax Support Schemes as the impact of welfare reform becomes clearer. From this meeting Officers will formulate the options open to Rossendale Borough Council and undertake a comprehensive period of consultation should any further changes to our scheme be necessary for future years.

## COMMENTS FROM STATUTORY OFFICERS:

### 6. SECTION 151 OFFICER

6.1 The Council's default scheme has been accounted for in the Council's Medium Term Financial Strategy. In addition an allowance will also be made for the anticipated increase in cost of Council Tax Support for 15/16.

### 7. MONITORING OFFICER

7.1 No additional comments.

### 8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Extensive consultation was undertaken in 2012 (including a full equality impact assessment), prior to the scheme being adopted.

This report is not proposing any changes to this scheme for 2015/16. It is determined that the potential impact and mitigating actions remain unchanged also, and therefore has not been re-assessed for equalities impacts.

### 9. CONCLUSION

9.1 It is proposed to continue with the scheme approved in December 2013, but including benefit uprating for 2016/17, as in previous years.

#### Background Papers

Document	Place of Inspection
Council Tax Support Scheme	<a href="https://www.rossendale.gov.uk/counciltaxreductionscheme">https://www.rossendale.gov.uk/counciltaxreductionscheme</a>