

Subject:	Local Council Tax Support Scheme 2017-18	Status:	For Publication
Report to:	Overview & Scrutiny Council	Date:	7 th November 2016 9 th December 2016
Report of:	Head of Customer Services & I.C.T.	Portfolio Holder:	Customer Services and Health
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	That Overview and Scrutiny recommend Full Council approve the Local Council Tax Support (CTS) Scheme for 2017/18 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. The proposed scheme is to remain the same; based on the housing benefit regulations with a maximum 80% level of support for working age customers. A series of amendments are proposed which mirror changes introduced to the housing benefit regulations in order to maintain the link between the two.

3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **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.

4. RISK ASSESSMENT IMPLICATIONS

4.1 The Local CTS 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 first 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. This value of this does not move as demand levels change and has now been merged into the Council’s annual financial settlement, of which the revenue support Grant element will cease in 2018/19

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. It is not proposed to vary the overall percentage reduction in entitlement for working age applicants.

- 5.3 Our Local CTS scheme is based, in a large part, on the previous Council Tax Benefit scheme, which in itself ran parallel to the housing benefit system. As such it remains a means tested benefit in all but name. This approach is common amongst almost all local authorities, with only one authority (South Gloucester) adopting a banded discount scheme of its own design.
- 5.4 Whilst local authorities are able to set their own CTS 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 eligible 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 For the 2017/18 charge year, the Government is introducing a number of changes to the way Housing Benefit is calculated. The current CTS scheme effectively mirrors the Housing Benefit Scheme. A decision must therefore be made whether to incorporate these changes into the Council's CTS scheme for 2017/18, or to keep the scheme unchanged. If the scheme remains unchanged then some customer circumstances will be treated differently for HB and CTS despite being assessed as part of the same claims process.
- 5.7 Rollout of Universal Credit is currently not expected to be completed until 2022. Therefore local authorities are expected to retain a duty to manage housing benefit claims until that time. It may be that once housing benefit ceases to be a local authority function, then local councils will adopt a different basis for CTS schemes entirely. To do so at this time would be a significant undertaking. Any scheme would have to be modelled in such a way as to take account of all possible combinations of income/benefits for low income customers, and to allow the council to offer a level of support that is both affordable and perceived as fair.
- 5.8 Six of the seven changes outlined in this report are proposed in order to maintain the underlying principle of the current scheme, that the rules around the CTS scheme will reflect the prevailing Housing benefit Regulations. These individual changes are outlined in appendix 1.
- 5.9 Proposal 5, relating to dependent children, will only be adopted if it does become part of the Housing Benefit regulations. To date the Government has stated its intention to make this change with effect from April 2017, but has not yet passed the relevant legislation.
- 5.10 A further local change is proposed in respect of self-employed claimants. After an initial start-up period of one year, it is proposed that claims would be assessed on the basis of an assumption of minimum wage income.
- 5.11 The scheme would also include annual benefit uprating based upon any DWP inflationary increases, as has been the case in each previous year of the local scheme.

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.

7. MONITORING OFFICER

7.1 The Council is required to formally adopt a scheme by 31 January each year to commence on 1 April of that year and to consult on any potential changes to the scheme.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Consultation was undertaken in June – September 2016 on the proposed changes. The consultation report is included as one of the background papers and is also reflected in appendix one which outlines the various changes in detail.

8.2 This report and any additional recommendations arising from it will be brought to Full Council on 14th December 2016 for a final decision.

8.3 There are no HR implications

9. CONCLUSION

9.1 It is proposed to continue with the scheme approved in December 2013, but including benefit uprating for 2017/18, and the various changes outlined in order to maintain the prevailing Housing benefit regulations as the underlying basis for the scheme.

Background Papers

Document	Place of Inspection
Council Tax Support Scheme	http://www.rossendale.gov.uk/info/200028/council_tax/467/council_tax_support_scheme
Government guidance on absence from Great Britain	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539232/a7-2016.pdf
Consultation response summary	