

Subject:	Local Council Tax Support Scheme 2018-19	Status:	For Publication
Report to:	Council	Date:	13 th December 2017
Report of:	Head of Customer Services & I.C.T.	Portfolio Holder:	Resources and Customer Services
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 Full Council approve the Local Council Tax Support Scheme for 2018/19 as set out in this report.

2. PURPOSE OF REPORT

2.1 To seek approval of Rossendale Borough Council's Local Council Tax Support (CTS) Scheme for 2018/19.

3. CORPORATE PRIORITIES

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

- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

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 31st 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, regulated at a national level, was replaced by local schemes of council tax support with effect from 1st April 2013. At that time grant funding was reduced by 10%. Whilst individual authorities were granted the freedom to design and implement their own local schemes, these could not leave pension age claimants worse off than under the previous national benefit regulations.

The net effect of these changes was a funding reduction of approximately 20% for working age claimants and after consultation Rossendale duly adopted a local scheme, based on the previous council tax benefit regulations, but with a 20% reduction in entitlement for working age customers

Whilst the local scheme is now technically and legally a discount, the decision to continue forward with a CTS scheme based on the housing benefit/council tax benefit regulations ensures that in practice the scheme remains effectively a means tested benefit.

5.2 A further consultation exercise was undertaken during 2016 and subsequently amendments were incorporated changes introduced to the housing benefit regulations into the local CTS scheme in order to maintain the link between the two.

5.3 The number of CTS claims changes daily, but a snapshot (October) of the caseload is set out below. To set in context there 30,340 which are not exempt, unoccupied or second homes, therefore around 1 in 5 occupied properties with an entitlement to CTS.

Council Tax Support Caseload	2nd Adult Rebate Claims	Council Tax Support	Council Support (Universal Credit)	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)
Pensioner Claims	9	2364	N/A	2373	2373
Working Age (employed) claims	1	633	74	708	3581
Working Asge (other) claims	6	2645	222	2873	
Total Claims By Type (2AR, CTS, CTS UC)	16	5642	296	5954	5954

5.4 The cost of claims (tax foregone) for 2016/17 is set out below. As at 31st October 2017, the total claims for 2017/18 is £4,743,826.30. This year's 15.1% share is £716,323.21. The amounts of awards and Rossendale share are therefore broadly consistent with last year and no significant shift is expected. It should be noted that in 2017/18 Council Tax was raised 3.33% overall (including adult social care precept). The Rossendale precept rose by 1.99%, hence the fall on percentage share of the tax retained by Rossendale (15.3% to 15.1%); this is reflected in a higher level of overall awards but a slightly smaller Rossendale share of the cost of award.

There is now no specified grant which covers this amount as had been the case under the former council tax benefit arrangements. Costs are therefore borne locally.

2016 -17 charge year				
	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)	Total Claims (All CTS)	Rossendale Council Share (15.3%)
Pensioner Claims	£ 2,198,141.02	£ 2,198,141.02	£ 4,706,846.30	£720,147.48
Working Age (employed) claims	£ 390,127.16	£ 2,508,705.28		
Working Asge (other) claims	£ 2,118,578.12			

5.5 In-year collection rates of Council Tax remain lower for working age claimants than for the wider population. The 2016/17 outturns show that whilst 96.2% of that year's tax had been collected by the end of the year, the figure for those working age claimants not in employment was 74.8%. A clear majority are proving able to meet their increased liability but a significant minority are not. To set this in context, collection for 2013/14, the first year of reduced entitlement had reached 90.2% by 1st October this year; three and a half years after the sums should have been cleared. Collection continues to be resource intensive whilst some customers continue with ongoing and continuous arrears.

	Pensioner Claims	Working Age (employed) claims	Working Age (other) claims	Council Tax Collection Rate 2016/17 All Accounts
Council Tax In-Year Collection Rates (%)	107.6	83.3	74.8	96.2

5.6 There are no significant changes to the scheme proposed for the current year, aside from any inflationary uprating to benefit entitlement levels/thresholds which may be applied nationally.

5.7 As Universal Credit (UC) is rolled out, the vast majority of working age claimants will be paid a contribution towards housing costs through UC rather than by housing benefit. The impetus for retaining the systems associated with housing benefit as a basis for CTS calculation will therefore weaken over time.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Financial implications are noted within the report.

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 has been undertaken with Management Team and the Portfolio Holder. There has been no significant policy changes to the scheme, therefore has not been re-assessed for equalities impacts.

9. CONCLUSION

9.1 It is proposed that the existing scheme of council tax support be retained unchanged, with the exception of any inflationary upgrades to national benefit entitlements. The full rollout of Universal Credit, scheduled for August 2018 in Rossendale, will necessitate a more fundamental review. The Universal Credit programme itself is still subject to revision at Government level. It would be difficult to significantly renew the scheme to take account of the full service rollout of UC until clear data emerges of the impacts on CTS. In the meantime there is little to commend the implementation of any major changes to the scheme when a full review will be necessary within the next 2-3yrs.

Background Papers

Document	Place of Inspection
Current scheme 2017/18	https://www.rossendale.gov.uk/downloads/file/13874/council_tax_support_scheme_201718