

30 September 2014

Audit & Scrutiny Committee

**Local Council Tax Support &
Council Tax Technical Changes**

Report of: *Rick Steels. Revenues & Benefits Manager*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 At the previous meeting of this Committee on 1st July 2014, it was agreed to form a Member's Task & Finish Group to consider changes to the current Local Council Tax Support (LCTS) scheme for 2015/16 and also to consider changes to the current policy regarding awards of Council Tax discounts and exemptions.
- 1.2 The Task & Finish Group met on 28th August 2014 and agreed to propose a number of technical changes to the current LCTS scheme and to propose the introduction of a 50% empty homes premium to properties that have been empty for more than two years increasing the average Council Tax on these properties from £1,465 per annum to £2,197.50.
- 1.3 These proposals are currently subject to public consultation and on completion of the consultation period; officers will submit a report to Council recommending the adoption of the agreed amendments.

2. Recommendation(s)

- 2.1 To agree that the contents of this report are presented to Ordinary Council, 10 December 2014.**

3. Introduction and Background

- 3.1 Local Council Tax Support (LCTS) replaced Council Tax Benefit in April 2013 and an LCTS scheme for 2013/14 was subsequently adopted by Ordinary Council on 19th December 2012.
- 3.2 The original scheme was revised with some minor changes for 2014/15 and this was adopted by Ordinary Council on 11th December 2013.
- 3.3 At the previous meeting of this committee held on 1st July 2014 it was agreed to form a Task & Finish group of members to consider proposals for further amendments to the scheme for 2015/16.
- 3.4 The Task & Finish group met on 28th August 2014 and considered a number of proposals for 'technical changes' to the 2014/15 scheme and agreed to recommend to Council the following:

Award Periods

To introduce a maximum specified period of 52 weeks (1 calendar year) entitlement to support for claimants within the LCTS Working Age (working) sub group to be based on the individual circumstances of the claimant or their partner.

Liability mismatches

Where LCTS is claimed by a single occupier but they have not provided sufficient evidence for the award of a Single Person Discount from their Council Tax account, LCTS will not be awarded and in cases where support is already being provided, this will be withdrawn.

Local Authority errors

In cases where the Council has made an error on an assessment for LCTS, provision should be provided within a specific fund to ensure the resident's council tax account is not affected. Funding would be found from within existing budgets.

Partners

Revise the current scheme rules which state 'or partner' to 'and or their partner'. This means that regardless of who has signed the claim for support the assessment will be treated as being made by both parties. By doing so we will ensure that should a claimant or their partner provide

false information relating to their claim, the Council can consider prosecuting or applying penalties for non disclosure to either party.

Vulnerability

The current rules for vulnerability state that claimants receiving a disability premium on their assessment qualify for placement in the LCTS Vulnerable sub group. It is proposed to extend this to include claimants qualifying for a support premium as a result of their entitlement to Employment & Support Allowance. This will bring in protections for residents who are short term sick.

3.5 Empty Homes Premium

In addition to proposals to make 'Technical Changes' to the LCTS scheme for 2015/16, members of the group were asked to consider the introduction of a 50% premium to council tax accounts for properties that have been empty for more than 2 years. This would generate additional liability for long term empty properties with an average annual increase in their council tax bill in the region of £730. The average annual charge for a Band D property in the Borough is £1,465 so by adding an Empty Homes Premium the annual bill for the same property would increase to £2197.50. At the time of writing this report there are 70 properties that have been empty for more than 2 years which would generate additional income each year of more than £50,000.

It is anticipated that the imposition of a premium would encourage owners to consider other uses for their property and if properties are subsequently brought back into occupation, the Council would receive a New Homes Bonus of £1,465 per annum for a 6 year period, a total of £8,790 per property.

4. Issue, Options and Analysis of Options

- 4.1 The Local Council Tax Support scheme is designed to provide support for as many residents as possible within external funding constraints. Wherever possible officers will seek to re-design the scheme to enhance take up and maximise income for those seeking financial support.
- 4.2 The Council have a responsibility to ensure that it makes best use of all housing stock within the Borough.

5. Reasons for Recommendation

- 5.1 To ensure the changes to both the Local Council Tax Support scheme and technical changes to Council Tax are endorsed by the appropriate committee.

6. Consultation

- 6.1 The above proposed options for change to the Local Council Tax Support scheme and technical changes to Council Tax have been the subject of consultation with members of the Task & Finish Group and are currently open to public consultation. Officers will include an analysis of customer feedback within the report to Council.

7. References to Corporate Plan

- 7.1 A Prosperous Borough

8. Implications

Financial Implications

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- 8.1 The proposed technical changes outlined within the report will mean that the total scheme cost remains within budget. The potential income for Empty Homes is outlined with the report.

9. Legal Implications

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- 9.1 None

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 9.2 None

10. Background Papers (include their location and identify whether any are exempt or protected by copyright)

10.1 Background papers are held by the Revenues & Benefits service

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