

15 December 2015

Policy, Finance and Resources Committee

Local Council Tax Support scheme - 2016/17

Report of: *Rob Manser - Shared Services Revenues & Benefits Manager*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 It was previously agreed to form a Member's Task & Finish Group to consider any changes to the Local Council Tax Support (LCTS) scheme for 2016/17.
- 1.2 Following the Welfare Reforms announced by the Chancellor in his Summer Budget on the 8th July 2015 consideration was given to the possible impact on our current scheme costs. Officers subsequently modelled proposed changes and concluded that there would be little to no impact on the cost of the existing scheme.
- 1.3 The Task & Finish Group were advised therefore that no major changes to the scheme would be proposed for 2016/17.
- 1.4 Two minor proposals to the scheme were proposed to the group;
 - the rules for assessing self employed claimants
 - the rules dealing with late applications

These proposals were subsequently raised as part of our public consultation.

2. Recommendation(s)

- 2.1 **To approve minor changes to our current Council Tax Support scheme by introducing;**
- 2.2 **Where claimants are claiming that they are self employed and submitting accounts to show that they are earning consistently below minimum wage, officers will be able to decide the level of award based on at least minimum wage (or the national living wage). This will only come into effect after their first year of claiming support or trading or whichever is sooner.**
- 2.3 **To restrict late applications of Council Tax Support to 4 weeks provided 'good cause' has been shown; this will bring the Council Tax Support scheme in line with Universal Credit and Housing Benefit legislation.**

3. Introduction and Background

- 3.1 Council Tax Support (CTS) replaced Council Tax Benefit in April 2013. Each authority must adopt a Council Tax Scheme each year by the 31st January, or the previous year's scheme will continue.
- 3.2 Brentwood's Ordinary Council has approved and adopted a Council Tax Support scheme for each subsequent year.

4. Issue, Options and Analysis of Options

- 4.1 The Council Tax Support scheme is designed to provide support for helping residents pay their Council Tax, it is also designed to make work pay.
- 4.2 An analysis of the Revenues database shows that our current scheme has not adversely affected our levels of Council Tax collection, which remain as expected and on target when compared to previous years.

5. Reasons for Recommendation

- 5.1 To agree and adopt the proposed Council Tax Support scheme for 2016/17 prior to the 31st January 2016.

6. Consultation

- 6.1 Consultation commenced on the 7th September 2015 and completed on the 15th November 2015, a period of 10 weeks.
- 6.2 Letters and emails were sent to customers asking for their participation; the survey was conducted online, through our website. A paper version was available on request.
- 6.3 A total of 30 customers responded to our Council Tax Support consultation; the results are as follows;

Council Tax Support Consultation - 2016/17				
		YES	NO	UNSURE
Q1	Do you agree that Brentwood Borough Council should continue a scheme, which is, broadly, self-funding?	96.7%	3.3%	0.0%
Q2	Our partner authorities, County, Police and Fire, need us to control scheme costs. Brentwood proposes to do this by clamping down on fraudulently claimed discounts and exemptions. Do you agree with this	85.7%	3.6%	10.7%
Q3	If there is an increase in demand for Council Tax Support or if average incomes for recipients fall, (for example as a result of changes to tax credits) scheme costs are likely to increase. This will require more money from local taxpayers. How should this be financed?			
	Answer Options			
	Reduce the level of support offered.	57.7%	42.3%	0.0%
	Use local authority reserves.	42.1%	57.9%	0.0%
	Reduce funding for other services.	47.4%	52.6%	0.0%
	Increase Council Tax and or other charges	33.3%	66.7%	0.0%
Q4	Brentwood Borough Council could potentially change how we assess working age residents that are self-employed and claiming Local Council Tax Support. Where a working age resident is in self-employment and continues to run a business where their assessed income is below the minimum level, they will be assumed to earn at least the minimum wage / national living wage for the hours that they work. This minimum would not apply for a designated start-up period of one year in order to allow a period to establish the business. Currently this start up period is set to two years. We propose to change	77.80%	22.20%	0.0%
Q5	Currently, entitlement to Local Council Tax Support can be backdated to a maximum of 26 weeks based on the presence of 'good cause'. Brentwood Borough Council could potentially reduce the amount of backdating from 26 to four weeks, in line with welfare reform changes. This change would only apply to working age applicants. Do you agree	82.1%	17.9%	0.0%
Q6	Do you get a Council Tax discount or exemption?	23.1%	76.9%	0.0%
Q7	Do you get Council Tax Support?	4.2%	95.8%	0.0%

7. References to Corporate Plan

7.1 A Prosperous Borough

8. Implications

Financial Implications

Name & Title: Ramesh Prashar – Financial Services Manager

Tel & Email: 01277 312513 / ramesh.prashar@brentwood.gov.uk

- 8.1 There are no financial implications from the introduction of the LCTS technical changes which will be funded from within existing scheme resources.

Legal Implications

Name & Title: Saleem Chughtai – Legal Services Manager

Tel & Email: 01277 312500 – saleem.chughtai@bdtlegal.org.uk

- 8.2 The CTS Scheme is subject to the Council's duties for local welfare support under primary and secondary legislation including The Welfare Reform Act 2012, the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) and the Council Tax Reduction

Schemes (Default Scheme) (England) Regulations 2012. In addition the Council takes account of guidance published by the Department of Communities and Local Government.

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

8.3 Equality Impact and Consultation response is available as a background document.

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

9.1 Background papers are held by the Revenues & Benefits service.

10. Appendices

None

Report Author Contact Details:

Name: Rob Manser – Shared Services Revenues & Benefits Manager
Telephone: 01277 312855
E-mail: rob.manser@brentwood.gov.uk