

REPORT TO	DATE OF MEETING
Cabinet	8 th January 2014

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Technical Updates Localisation of Council Tax Support Scheme	Cllr Hamman	Michael Fisher	5

SUMMARY AND LINK TO CORPORATE PRIORITIES

In April 2013 South Ribble Borough Council was required to introduce a Council Tax Support Scheme (LSCT) to replace Council Tax Benefit (CTB).

The Local Government Finance Act 2012 requires Local Authorities to approve their Council Tax Support Scheme on an Annual Basis by the 31st January for the following financial year.

This report supports the corporate priority of being an Efficient, Effective and Exceptional Council

1 BACKGROUND

- 1.1 In October 2010 the Government announced its intention to replace CTB with a Local Scheme for LSCT. This formed part of the Welfare Reform agenda which will see the merging of all remaining benefits including Housing Benefit into a single benefit called Universal Credit.
- 1.2 The move to a Localised Scheme for Council Tax Support saw responsibility for delivering schemes move from the Department for Work and Pensions (DWP) to the Department of Communities and Local Government (DCLG).
- 1.3 CTB was fully funded from central government, as part of this transfer the DCLG reduced the level of funding to Local Government by £500m. This meant that any locally introduced scheme must be implemented at a level of 10% less than the total cost of the CTB scheme. It was expected by Government that this reduction in funding was recovered from existing/future Council Tax Support Claimants. The level of funding for Council Tax Support remained fixed at 2012/13 levels.
- 1.4 The Government legislated to ensure that any recipient of CTB who has or will attain pension age must not be worse off under any LSCT scheme. This means that any adjustments resulting from our LSCT Scheme only affected those claimants of Working Age.
- 1.5 The Government believed that this change would incentivise Local Authorities to encourage greater economic activity within their areas.
- 1.6 The implementation of Localised Council Tax Support Schemes was a Statutory Requirement.

2 RECOMMENDATIONS

That Cabinet approves the following:

- 2.1 To update South Ribble Borough Council's, Council Tax Support Scheme in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013
- 2.2 To carry out amendments to the Council's scheme to uprate the allowances and premiums in accordance with Revised HB Circular A24/2013 issued by the DWP
- 2.3 To carry out any changes required by any amendments to the Local Government Finance Act 1992 or the Local Government Finance Act 2012 (if required)
- 2.4 To publish the updated scheme in accordance with the Local Government Finance Act 2012
- 2.5 The level of the deduction to be applied to Working Age recipients of Council Tax Support from the 1st April 2014 be finalised and agreed in accordance with South Ribble's Scheme and as part of the Council's Budget and Council Tax Setting at the Council Meeting on the 5th March 2014

3 DETAILS AND REASONING

- 3.1 The Local Government Finance Act 2012 requires Local Authorities to approve their Council Tax Support Scheme on an Annual Basis by the 31st January for the following financial year.
- 3.2 The scheme contains allowances and premiums on which the Prescribed Council Tax Support Scheme relies. South Ribble's scheme where possible mirrors the provisions of the government's prescribed scheme for pensioners.
- 3.3 South Ribble BC's Scheme is relatively easy for all to understand in that it replicates the previous Council Tax Benefit system apart from a flat rate reduction for Working Age Claimants

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	Failure to approve the Council Tax Support Scheme will result in South Ribble Borough Council having to implement the Statutory Scheme. This would have to be funded by the Precepting Authorities. This would result in additional expenditure of approximately £650,000 of which South Ribble's contribution would be approximately £100,000
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LEGAL	The Local Government Finance Act 2012 places a legal requirement to amend and approve schemes by 31 st January 2014
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RISK	Not approving the Council Tax Support Scheme would mean that the Council would have to either adopt the default scheme or leave itself open to challenge on its current scheme
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THE IMPACT ON EQUALITY	A review of the Impact Equality Assessment has been undertaken and no changes have been made. Details of the Assessment are published on the Council Website
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OTHER (see below)	
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

- Local Government Finance Act 1992 as amended,
- Local Government Finance Act 2012 as amended
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013
- DWP - Revised HB Circular A24/2013
- South Ribble Borough Council's Council Tax Support Scheme
- Council Tax Support Scheme Equality Impact Assessment
- Council Tax Support Hardship Scheme