

# **Management Committee**

## **6 March 2018**

### **Local Council Tax Support Scheme**

#### **For Decision**

#### **Briefholder(s)**

Cllr J Cant – Finance & Assets

Cllr C James – Social Inclusion

#### **Senior Leadership Team Contact:**

J Vaughan, Strategic Director

#### **Report Author:**

S Dawson, Head of Revenues & Benefits

#### **Statutory Authority**

Local Government Finance Act 2012

#### **Purpose of Report**

- 1 To obtain Committee's approval to a review of the Local Council Tax Support scheme being undertaken.

#### **Recommendations**

- 2 That Committee agrees to a fundamental review of the Local Council Tax Support scheme and that a report be brought back later in the year in respect of a proposed scheme for 2019/20.
- 3 That Committee agrees that the scheme for 2018/19 remains unchanged and continues to reflect the characteristics set out at 8 below.

#### **Reason for Decision**

- 4 To ensure that the Council's Local Council Tax Support Scheme continues to take account of policy changes to benefits and to claimants' circumstances.

#### **Background and Reason Decision Needed**

- 5 Committee will be aware that as part of its Welfare Reform, government decided that the national Council Tax Benefit scheme would be replaced from 1 April 2013 by local schemes. These new schemes are called Local Council Tax Support (LCTS) schemes and are determined by each billing authority for its area.

- 6 As part of these changes, government decided to reduce the level of grant provided to help fund the cost of awards to 90% of the estimated awards likely to be made in 2012/13. As the reduction is applied to the Council Tax Collection Fund it is shared by Dorset County Council, Fire & Police authorities as well as the Council. Billing authorities have the discretion to “top-up” the gap in funding from the Collection Fund or to set its scheme so that it is self funding.
- 7 Government also decided that pensioner claimants must be protected under the local schemes and be entitled to receive the same level of funding as they would under the existing national scheme.
- 8 Following extensive modelling of the likely financial and customer impact, Council set a scheme with the following characteristics.
- The scheme would be as similar to the old Council Tax Benefit scheme as possible.
  - Everyone of working age, except the most vulnerable, would pay at least 8.5% of their Council Tax.
  - The most vulnerable people would be protected from the changes.
  - Those defined as vulnerable include:
    - I. Pensioners
    - II. People who are in receipt of a Disability Premium, Enhanced Disability Premium, Severe Disability Premium, Disabled Child Premium, Carer Premium or Support Component within in either their Council Tax Support, Housing Benefit, Income Support, income-based Jobseekers Allowance or income-related Employment Support Allowance.
    - III. People who are in receipt of War Disablement Pension, War Widows Pension or War Widows Disablement Pension.
  - The scheme would include support to a householder who has a second adult on a low income living with them (Second Adult Rebate).
  - The scheme would not include a limit on the lowest amount given to a working age claimant.
- 9 The table below sets out details of the LCTS awards made in 2016/17 and 2017/18 together with government subsidy received.

	<b>2016/17</b> <b>£</b>	<b>2017/18 (estimated)</b> <b>£</b>
Total LCTS awarded	5,866,279	5,847,559
Government grant received	5,646,527	5,646,527
Gap being met by Collection Fund	219,752	201,032
WPBC share of gap	35,072	31,441

- 10 Government commissioned an independent review of LCTS schemes in 2017 and has recently issued its response to the findings. As part of this, government is of the view that it is “best practice” for billing authorities to consider their scheme each year to ensure that it takes account of policy changes to benefits, etc. With this in mind, it is proposed that:

- I. The LCTS scheme for 2018/19 remain unchanged and continue to reflect the characteristics set out a 9 above; and
- II. A fundamental review of LCTS is undertaken and that a report is brought to Committee later in the year in respect of a proposed scheme for 2019/20.

## **Implications**

## **Appendices**

## **Footnote**

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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