

CABINET

7th October 2014

LOCAL COUNCIL TAX SUPPORT REVIEW FOR 2015/16

Report of the Director of Resources

STRATEGIC AIM:	ALL		
KEY DECISION	YES	DATE ITEM FIRST APPEARED ON FORWARD PLAN	August 2014

1. PURPOSE OF THE REPORT

- 1.1 To present Cabinet with a review of the current local council tax support scheme and Discretionary Fund and to consider the options for the scheme for 2015/16 onwards with regard to the latest information available.

2. RECOMMENDATIONS

- 2.1 That the **CABINET RECOMMENDS TO COUNCIL** to adopt the council tax support scheme currently in operation, for 2015/16 onwards.
- 2.2 That the **CABINET RECOMMENDS TO COUNCIL** to review that amount of funding allocated to the Discretionary Fund as part of the budget setting process.
- 2.3 That Cabinet **RECOMMENDS TO COUNCIL TO** give authority to the Assistant Director (Finance) in consultation with the Portfolio Holder for Finance to review the Discretionary Fund policy in the event it requires minor changes to be made as a result of best practice, guidance or legislation.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 To ensure that the Council approves a local council tax support scheme by 31st January 2015 for 2015/16 financial year onwards and that the scheme delivers established principles and council services within our medium term financial plan.
- 3.2 To allocate an amount of funding to the discretionary fund that is reasonable having regard to the latest information available on levels of expenditure for 2014/15.

3.3 To ensure that the Council can make minor revisions to the discretionary fund policy promptly to reflect changes in guidance, legislation, judicial reviews and Valuation Tribunal outcomes, to achieve its original objectives.

4. BACKGROUND AND REVIEW

4.1 The Government abolished Council Tax Benefit from 1st April 2013. All billing authorities had to replace this with a local scheme by 31st January 2013. A significant amount of work was undertaken to model, forecast and consult on an affordable scheme for 2013/14. The Council approved a scheme in January 2013 (Report 2/2013) and adopted the same scheme for 2014/15 (Report 226/2013).

4.2 A detailed review of the current scheme and discretionary fund has been undertaken using data available for 2013/14 financial year and intelligence gathered from other sources. The review is detailed in appendix A and contains the following information:

- Facts and figures analysed from 2013/14 local council tax support scheme and discretionary fund;
- Council Tax collection rates;
- Views and feedback;
- Intelligence gathered nationally and neighbouring authorities schemes;
- Examples of potential changes to the current scheme; and
- Conclusions.

4.3 Members established that the scheme should meet certain principles, these principles are detailed in the table below:

Principle	Relevant and required?	Scheme delivering outcome?
The scheme should reduce the overall cost of benefits through a local scheme	Yes	The scheme has an underspend in 2013/14 and is likely to underspend in 2014/15 if the current trend continues. (See para 2.2 Appendix A)
Support should be directed to those most in need	Yes	There have been limited complaints and whilst there has been feedback from CAB regarding some of its operation, further support is available via the Discretionary Fund, which is undersubscribed. (See para 2.3 Appendix A)

Principle	Relevant and required?	Scheme delivering outcome?
Incentives to work should be included	Yes	There has been a continuous reduction in the number of claims from households claiming out of work benefits. (See para 3.4 Appendix A)
The scheme should be broadly in line with those of other authorities in this area	Yes	The scheme is broadly similar to other neighbouring schemes. (See para 5.3 Appendix A)
The scheme is affordable to the authority	Partly	The scheme has been affordable in 2013/14 and is set to be affordable in 2014/15; this is largely due to a reduction in the number of claimants. The Council predicts a reduction in funding over the next few years so the position will need to be kept under review. (See section 7.0 Appendix A)

4.4 The review of the current scheme has established that the scheme continues to deliver on its original objectives.

5. CONCLUSIONS

5.1 If the Council wants to make changes to the current scheme a number of activities will be required including:

- Public consultation on any proposed change;
- Obtaining legal advice;
- Undertaking a full Equality Impact Assessment;
- Assessing the impact on council tax collection rates;
- Assessing the risk of judicial review/ legal challenge;
- Assessing the increased workload and demand on resources; and
- Assessing the IT implications and limitations.

5.2 It is the view of Officers that there is no compelling reason for changes to the scheme. Should Members wish to propose changes then Officers will need to consider the steps required.

5.3 Some minor changes are required to the existing Discretionary Fund policy to ensure that the recent Valuation Tribunal decision is taken into account (see item 5.12 Appendix A). There may be further changes required in the future therefore it is proposed that the Assistant Director

(Finance) is given delegated authority in consultation with the Portfolio Holder for Finance to make minor changes.

- 5.4 Members may wish to consider reducing the level of funding for the Discretionary Fund as part of the budget setting process given that the expenditure for 2013/14 was much less than was allocated.

6. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Medium	If the council chooses to adopt the current scheme for 2015/16 onwards the risk is reduced, the risk increases to high if major changes are required.
Viability	Medium	If the council chooses to adopt the current scheme for 2015/16 onwards the risk is reduced, the risk increases to high if major changes are required.
Finance	High	The current scheme is affordable in the medium term financial plan; council tax collection rates are being maintained.
Profile	High	The agenda for welfare reform continues to attract national media attention and scrutiny from the third sector.
Equality and Diversity	Medium	An Equality Impact Assessment was completed for the current scheme. The availability of the Discretionary Fund has mitigated any concerns arising.

Background Papers
Report 2/2013
Report 226/2013

Report Author
Saverio Della Rocca

Tel No: (01572) 722577
e-mail: enquiries@rutland.gov.uk

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.