

Meeting: Overview & Scrutiny Board

Date: 30 November 2016

Meeting: Council

Date: 8 December 2016

Wards Affected: All Wards

Report Title: Revision of Council Tax Support Scheme

Is the decision a key decision? Yes

When does the decision need to be implemented? 1 April 2017

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1. Purpose and Introduction

- 1.1 Council Tax Support is a means tested discount to help low income households with the cost of Council Tax payments. This financial year the Council has awarded £11.8 million to around 15,000 households in Torbay.
- 1.2 Since the Government announced that Council Tax Benefit was to be localised from April 2013 every council has had the responsibility for designing its own Council Tax Support scheme. In localising support, the Department for Communities and Local Government also cut funding by 10 per cent in 2013/14.
- 1.3 In the first year of the scheme Torbay's funding was identified separately as £11.9m in the Council's financial settlement from Central Government. However, from 2014/15 funding was no longer separately identified and formed part of the Overall Settlement Funding Assessment (which includes the Revenue Support Grant) and subject to the same level of grant reductions.
- 1.4 The settlement grant has reduced by 23% since 2013/14, so it can be assumed that the amount of Council Tax Support funding has been cut to £9.2m for 2016/17, in line with the overall reduction.
- 1.5 When comparing the estimated cost of the scheme in 2016/17 to the level of funding received through the settlement grant there will be a deficit that will increase as the Councils Revenue and Support Grant is cut from £27m in 2015/16 to £6m in 2019/20.
- 1.6 The continued reduction in the grant resulted in a number of proposed changes to the current scheme to make it more affordable in relation to the competing demand of other services.

- 1.7 The Council is also proposing changes to bring the Council Tax Support scheme in line with the changes made by Central Government in Housing Benefit and Universal Credit. Government changes to both Housing Benefit and Universal Credit are to encourage work and reduce the levels of benefit available to some. This will be reflected in the Council Tax Support scheme if the proposed changes are made.
- 1.8 The changes should make it easier for applicants to understand the scheme, as there will be similar criteria in Housing Benefit, and Universal Credit. Additionally, using the same criteria in the Council Tax Support scheme should make it more efficient and less costly to run.
- 1.9 These changes have been undertaken in liaison with all Devon authorities, in order that there remains a common approach.

2. Reason for Proposal

- 2.1 The Local Government Finance Act 2012 requires that the Council Tax Support scheme is reviewed annually and where a council proposes changes to its scheme it must consult on the changes.
- 2.2 A draft scheme and public consultation was agreed by the Mayor's Executive on 26 July 2016 and ran for twelve weeks, from 8 August 2016 to 31 October 2016.
- 2.3 Following the consultation the scheme must be agreed by a full council meeting before 31st January in the year the changes take effect.
- 2.4 The final proposed scheme changes are based on the outcome of the consultation responses alongside the equality impact assessment.

3. Recommendation(s) / Proposed Decision

- 3.1 That, having considered the outcomes of the full consultation results and having due regard to the matters under the Public Sector Equality Duty (as set out in the Equality Impact Assessment) and the potential impacts on people with disabilities, carers, women and working age groups the proposed changes to the reviewed Council Tax Support Scheme as set out in section 11 to Appendix 1 to the submitted report be approved.
- 3.2 That Personal Allowances and Premiums for Council Tax Support are uprated from 1 April 2017 in line with the prescribed pensioner scheme and national working-age benefits, which are both set by the Government.
- 3.3 That the Discretionary Awards (Exceptional Hardship) fund of £80,000, which is used to top up Council Tax Support awards in appropriate cases, be continued.
- 3.4 That it be noted that the discretionary Awards (Exceptional Hardship) policy and fund will be reviewed during the new financial year, 2017/18.
- 3.5 That the Head of Finance, in consultation with the Executive Lead Member for Customer Services, be authorised to make final detailed changes to the Council Tax Support Scheme and to implement the scheme from April 2017.

Appendices

Appendix 1: Supporting Information

Appendix 2: Consultation Survey Results

Appendix 3: Equalities Impact Assessment

Appendix 4: Proposed Scheme Changes

Appendix 5: 2016/17 Council Tax Support schemes in Devon