

Cheltenham Borough Council
Council – 11 December 2017
Local Council Tax support Scheme for 2018/19

Accountable member	Councillor Rowena Hay, Cabinet Member Finance
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>The Council is required to approve its working age local council tax support scheme for the forthcoming financial year by 31st January each year. The scheme being proposed for 2018/19 remains unchanged from 2017/18.</p> <p>The scheme for pension age customers is set by Government scheme and administered by the council.</p>
Recommendations	<p>That Council :</p> <ol style="list-style-type: none"> 1. Approves the council tax support scheme for working age customers for 2018/19, other than any annual uprating of premiums, allowances and non-dependant deductions.

Financial implications	<p>In 2013/14, the year council tax support was introduced, the council received £811,659 within its grant funding from central government which represented 90% of the estimated cost of council tax support</p> <p>In 2014/15 the government stopped separately identifying the contribution it makes to both the working and pension age schemes, leaving it entirely up to the local councils to decide how much they are prepared to spend on council tax support. From 2019/20 the council will no longer receive revenue support grant which means that we will be fully funding the scheme from council tax and business rates revenue</p> <p>Given the overall funding position the council will need to review the council tax support scheme from 2019/20</p> <p>Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 775154</p>
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Legal implications	<p>The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each authority to design a scheme specifying the reductions which are to apply to amounts of Council tax. The prescribed regulations set out the matters that must be included in such a scheme.</p> <p>The Local Government Tax Support 'LCTS' scheme is required under Section 13A of the Local Government Finance Act 1992 (updated in 2012). The Act states that for each financial year, councils must consider whether to revise their LCTS scheme or replace it with another scheme and that such decisions need to be made by 31 January in the financial year preceding that for which the revision or replacement scheme is to take effect. If the Council does not make/revise a LCTS scheme by 31 January 2018, a default scheme will be imposed on the Council which will be effective from April 2018.</p> <p>Contact officer: Peter Lewis, peter.lewis@teWKesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>No direct HR implications arising from the content of the report</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@chEltenham.gov.uk, 01242 264355</p>
Key risks	See appendix 1
Corporate and community plan Implications	None
Environmental and climate change implications	None
Property/Asset Implications	<p>There are no implications with regard to the council's property assets.</p> <p>Contact officer: David Roberts@chEltenham.gov.uk</p>

1. Background

- 1.1 Since 2013 the Council has been required to establish a Local Council Tax Support Scheme to help people on a low income to pay their council tax. This scheme replaced the national Council Tax Benefit Scheme.
- 1.2 The Council is also required to administer the national council tax support scheme for pension age customer.
- 1.3 Funding for the local council tax support scheme in 2013/14 was cut by 10% compared to funding for the previous benefit scheme. The contribution from Government towards the scheme is no longer separately identified so the design of local council tax support schemes will dictate how much funding is allocated. Some councils have chosen to reduce the amount of council tax support paid to reduce expenditure.
- 1.4 The local council tax support scheme since 2013/14 in Cheltenham has continued to mirror the previous council tax benefit scheme which has ensured the most vulnerable customers have not been impacted upon. The council has so far absorbed any shortfall in funding, assisted by utilising our local powers to reduce the council tax discounts on empty properties.
- 1.5 Since 2013, the number of people claiming council tax support has continued to reduce. The caseload and amount of council tax support paid for October 2013 and October 2017 are shown below

Working Age	Caseload	Council Tax Support
2013	4,703	£3.91m
2017	4,117	£3.56m

Pension Age	Caseload	Council Tax Support
2013	3,071	£2.63m
2017	2,534	£2.26m

- 1.6 The council tax support scheme is means tested, so the more income the person has the less support they receive.

2. Reasons for recommendations

- 2.1 The council is required to make or revise its local council tax support scheme for the forthcoming financial year by 31 January 2018.
- 2.2 A number of welfare reforms targeted at working age people have been implemented since 2013 and Universal Credit is now being rolled out in Cheltenham. Maintaining the level of council tax support will ensure our vulnerable residents are not impacted further. It is affordable to continue with the council tax support scheme for a further year.
- 2.3 Members are therefore being asked to approve a scheme for 2018/19 which remains unchanged for a further year, other than applying any uprating of premiums, allowances or non-dependant deductions.

3. Alternative options considered

- 3.1 Due to the reasons detailed in section 2 above making changes to the scheme is not being considered for 2018/19.
- 3.2 The wider introduction of Universal Credit will impact on how council tax support is administered. It may be necessary to consider an alternative scheme for future years. During 2018/19 some modelling will be carried out and a consultation will be carried out on any proposals to change the scheme.

4. Consultation and feedback

- 4.1 A period of consultation ran from 1st to 30th November 2017 on the council's website. The main voluntary agencies in Cheltenham were also contacted for their opinions as they are dealing with customers affected by all the welfare benefit cuts on a day to day basis.
- 4.2 The finance officers from the County Council and the Police and Crime Commissioner's office were also contacted as the main preceptors for their comments.
- 4.3 One response was received to the consultation on the Council's website which stated
"I can understand the provision of some flexibility in council tax payment especially to families with children, however this should not become a way of life, surely to be fair to all taxpayers this should be time limited and preferably treated as a loan."

5. Performance management –monitoring and review

- 5.1 The caseload will be monitored and any increase/decrease of council tax support and any significant changes will be reported to cabinet.

Report author	Contact officer: Jayne Gilpin, Head of Revenues and Benefits Jayne.gilpin@cheltenham.gov.uk, 01242 264323
Appendices	1. Risk Assessment

Background information	<ol style="list-style-type: none"> 1. Proposed working age Council tax support scheme for 2018/19 2. The Local Government Finance Act 1992, amended by the Local Government Finance Act 2012 http://www.legislation.gov.uk/ukpga/2012/17/contents 3. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 http://www.legislation.gov.uk/uksi/2012/2885/contents/made 4. The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012 http://www.legislation.gov.uk/uksi/2012/2885/contents/made
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The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If a working age council tax support scheme is not approved it will not meet the legal requirements to have a scheme in place by 31 st January 2018.	Jayne Gilpin		3	2	6	Accept		11/12/2017	Jayne Gilpin	
2	Financial risk if take up of council tax support significantly increases as a result of any increase in council tax	Paul Jones		3	3	9	Accept	Ongoing monitoring throughout the year as part of internal controls		Jayne Gilpin	
Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) Control - Either: Reduce / Accept / Transfer to 3rd party / Close											