

CABINET – 16 JANUARY 2019

LOCAL COUNCIL TAX SUPPORT SCHEME

REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

1. Purpose of the Report

- 1.1 To request Cabinet to consider recommending to Council that the Local Council Tax Support Scheme (LCTSS) currently in force for the City of Sunderland, the main features of which are set at Appendix A, continue to be implemented for the year 1 April 2019 to 31 March 2020 without revision.

2. Description of Decision (Recommendations)

- 2.1 To recommend to Council that:-
- (i) The LCTSS currently in force for the City of Sunderland, the main features of which are set out at Appendix A, continues to be implemented for the financial year 2019/20 without revision; and
 - (ii) The approved LCTSS be published on the Council's website and in any additional manner determined by the Executive Director of Corporate Services in consultation with the Cabinet Secretary.

3. Background

- 3.1 The former Council Tax Benefit system was abolished by the Welfare Reform Act 2012 and was replaced (by virtue of the provisions of the Local Government Finance Act 2012) by a requirement for locally adopted Council Tax reduction schemes (in Sunderland referred to as the "Local Council Tax Support Scheme") from 1st April 2013, thereby transferring responsibility for Council Tax support from central to local government.
- 3.2 In accordance with that requirement, the Council adopted a LCTSS which was based on the government's default scheme, for implementation as from April 2013. The Scheme incorporated protection for pensioners as required by the Local Government Finance Act provisions, namely the requirement that they must receive the same levels of entitlement under the new Council Tax Support Scheme as they had received under the old Council Tax Benefit Scheme. Evaluation of previous consultation resulted in some minor modifications to the scheme in 2015/16 such as utilising assumed consent that applicants of Housing Benefit also wished to be considered for Local Council Tax Support. Following consultation, further technical and administrative changes were implemented from 1st April 2018 in order to align the scheme to Housing Benefit rules and to make the LCTSS more efficient to administer and easier for the customer to understand.
- 3.3 There were no changes to the council tax support entitlement which will continue to be calculated and reduced by 8.5% for all working aged claimants.

4. Current Position

- 4.1 The existing scheme is operating effectively and pensioners continue to be afforded protection. It is proposed to monitor any impacts to the scheme over the coming year as a result of any Welfare Reform changes and review as necessary going forward.

5. Proposed Local Council Tax Support Scheme

- 5.1 Following the successful application of the current scheme it is proposed that no changes are made and that the Council continues to implement the existing scheme, the main features of which are set out in Appendix A, for the 2019/2020 financial year.

6. Financial Implications

- 6.1 The cost of continuing the scheme has been factored into the Council's budget planning for 2019/20.

7. Reasons for the Decision

- 7.1 The Council must have its LCTSS approved by 11th March 2019, and the design of the scheme impacts upon the calculation of the council tax base which is considered elsewhere on today's agenda.
- 7.2 The current and proposed scheme, the main features which are as set out at Appendix A, reflects the experience of the impact of the scheme to date. Impacts of the scheme will continue to be closely monitored following the LCTSS implementation in April 2019.

8. Alternative Options

- 8.1 There are no alternative options proposed. There is a statutory requirement for the Council to consider, for each financial year, whether to revise its LCTSS or replace it with another scheme, with any revision or replacement scheme being made by 11th March in the preceding financial year.

9. Impact Analysis

(a) Equalities –

An Equality Impact Assessment has been undertaken and is set out in Appendix B to this report.

Work will continue to assess the impact of this scheme alongside the related impacts of any welfare and benefit reforms either already introduced, planned to be introduced or still being considered by Government.

10. Other Relevant Considerations / Consultations

- (i) **Legal Implications** – The comments of the Head of Law and Governance have been taken into account in preparing this report.

- (ii) **Other Consultations** – The comments of the Executive Director of People Services have been taken into account in preparing this report. Consultation has not been carried out with Tyne and Wear Fire and Rescue Authority (the Council's single major precepting authority) or any other persons as the requirement for such wider consultation applies only in cases where the scheme is to be revised or replaced.

11. List of Appendices

Appendix A – Local Council Tax Support Scheme Main Features

Appendix B – Equality Analysis

12. Background Papers

There are no background papers to this report.

Local Council Tax Support Scheme Main Features

1. Council tax support entitlement will be calculated and reduced by 8.5% for all working aged claimants.
2. Pensioners who are of pension age will be treated under pensioner rules even if they are available for work.
3. Those non-dependants serving in the forces on operations will continue to be disregarded from the calculation.
4. Information held in respect of Housing Benefit can be used to calculate Council Tax support where appropriate.
5. LCTSS claims may be backdated to a maximum of one month providing good cause is shown.
6. No family premium will be used in the calculation for new applicants from April 2018.
7. There will be no personal allowance for any third or subsequent child from April 2018 (unless an exception applies).
8. A claimant will not be entitled to Council Tax Support if they are temporarily absent from Great Britain for longer than 4 weeks (unless an exception applies).
9. A notification of Universal Credit will be treat as an indication of a claim for Council Tax Support.