

CABINET MEETING – 10 January 2018 EXECUTIVE SUMMARY SHEET – PART I								
Title of Report: Local Council Tax Support Scheme								
Author(s): Executive Director of Corporate Services								
Purpose of Report: To seek approval for Cabinet to recommend to Council that the Local Council Tax Support Scheme (LCTSS), the main features of which are set out at Appendix A, be implemented with effect from 1 April 2018.								
Description of Decision: To recommend Council to: <ul style="list-style-type: none"> (i) Approve the council's LCTSS, the main features of which, incorporating the proposed changes, are set out at Appendix A, for the financial year 2018/19; and (ii) Authorise the publication of the approved LCTSS on the council's website and in any additional manner determined by the Executive Director of Corporate Services in consultation with the Cabinet Secretary. 								
Is the decision consistent with the Budget/Policy Framework? *Yes If not, Council approval is required to change the Budget/Policy Framework								
Suggested reason(s) for Decision: <ul style="list-style-type: none"> (i) The council must have its LCTSS approved by 31 January 2018; and (ii) The proposed scheme, the main features, incorporating the proposed changes, of which are as set out at Appendix A, reflects the experience of the impact of the scheme to date, takes into account the recent consultation undertaken, and is seen to be a fair and affordable scheme for low-income residents. Impacts of the scheme will continue to be closely monitored following the LCTSS implementation in April 2018. 								
Alternative options to be considered and recommended to be rejected: There are no alternative options proposed. There is a statutory requirement for the Council to adopt a LCTSS for the ensuing financial year by 31 January.								
Impacts analysed; <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Equality</td> <td style="border: 1px solid black; width: 40px; text-align: center;">✓</td> <td style="border: none;">Privacy</td> <td style="border: 1px solid black; width: 40px; text-align: center;">N/A</td> <td style="border: none;">Sustainability</td> <td style="border: 1px solid black; width: 40px; text-align: center;">N/A</td> <td style="border: none;">Crime and Disorder</td> <td style="border: 1px solid black; width: 40px; text-align: center;">N/A</td> </tr> </table>	Equality	✓	Privacy	N/A	Sustainability	N/A	Crime and Disorder	N/A
Equality	✓	Privacy	N/A	Sustainability	N/A	Crime and Disorder	N/A	

Is the Decision consistent with the Council's co-operative values? Yes	
Is this a "Key Decision" as defined in the Constitution?	Yes
Is it included in the 28 day Notice of Decisions?	Yes

CABINET MEETING – 10 JANUARY 2018

LOCAL COUNCIL TAX SUPPORT SCHEME

REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

1. Purpose of the Report

- 1.1 To seek approval for Cabinet to recommend to Council that the Local Council Tax Support Scheme (LCTSS), the main features of which are set at Appendix A be implemented with effect from 1 April 2018.

2. Description of Decision (Recommendations)

- 2.1 To recommend Council to:-
- (i) approve the council's LCTSS, the main features of which, incorporating the proposed changes, are as set out at Appendix A for the financial year 2018/19; and
 - (ii) authorise the publication of the approved Scheme 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 Welfare Reform Act 2012 abolished the Council Tax Benefit system and replaced it under the Local Government Finance Act 2012 with the Local Council Tax Support scheme from 1st April 2013, thereby transferring responsibility from central to local government. The Local Government Finance Act 2012 also legislated that pensioners must receive protection, in that they must receive the same levels of entitlement under the new local Council Tax Support scheme as they had received under the old Council Tax Benefit scheme.
- 3.2 Following the implementation of the scheme in April 2013, the council adopted an updated scheme which was based on the government's default 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.

4. Current Position

- 4.1 The existing scheme is seen to be a fair and affordable scheme for low-income residents plus pensioners continue to be afforded protection. Following approval by Cabinet, consultation was undertaken with regard to a number of proposed technical and administrative changes 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. There were no

proposals to amend the minimum payment payable by Working Age claimants from 8.5 %.

4.2 The proposed changes, most of which will only affect new claimants going forward are as follows:

1. Backdating Rules

Reduce the period for which LCTSS claims can be backdated to one calendar month (currently 6 months). This is to mirror Housing Benefit regulations and will improve the administration process.

2. Family Premium

It is proposed to remove the family premium from the LCTSS calculation for new applicants from April 2018. This will have no impact on existing recipients (unless they have a break in their entitlement). The change will make the LCTSS consistent with Housing Benefit regulations and will aid administration.

3. Two child limit

There will be no personal allowance for any third or later child for claims made after 1 April 2018, unless special circumstances exceptions apply for example if the child was born as part of a multiple birth. This proposal aligns with the changes to Housing Benefit regulations and will again aid administration.

4. Temporary absence

Align the LCTSS rules to Housing Benefit scheme so a claimant will not be entitled to council tax support if they are temporarily absent from Great Britain for a period which is likely to last more than 4 weeks (exceptions apply to certain groups for example if a claimant is in hospital). This would apply to both working age and state pension credit age claimants.

5. Universal Credit

Treat a notification of Universal Credit as an indication of a claim under the LCTSS. This will assist claimants in accessing the LCTSS.

6. Self Employed

Where a claimant is self-employed, assess their self-employed income as being equivalent to the Minimum Income Floor (an assumed level of earnings) after a period of 12 months.

Results of Consultation on the Local Council Tax Support Scheme

4.3 Consultation was carried out on the proposed changes from 2nd October to 19th November 2017 and 162 responses were received. Two briefings were also held with Members on 23rd and 24th October. The results of the survey have been analysed. In general, all proposals had high levels of support with more respondents in favour of the proposals and with "Strongly Agree" being the most common view in each case.

Proposal	Strongly Agree	Agree	Sub Total	Strongly Disagree	Disagree	Sub Total
1. Backdating	31%	18%	49%	24%	21%	45%
2. Family Premium	30%	25%	55%	19%	14%	33%
3. Two child limit	42%	27%	69%	18%	7%	25%
4. Temporary absence	47%	25%	72%	9%	9%	18%
5. Universal Credit	54%	24%	78%	5%	7%	12%
6. Self Employed	40%	25%	65%	17%	4%	21%

*Results may not add up to 100% due to nil responses and those answering that they neither agree nor disagree with a proposal.

- 4.4 Removing those respondents that did not provide a response or answered that they did not agree or disagree with a proposal from the analysis shows that the majority of respondents, ranging from 52% to 87%, were supportive of each of the proposals as shown in the table below:

Proposal	Strongly Agree	Agree	Sub Total	Strongly Disagree	Disagree	Sub Total
1. Backdating	33%	19%	52%	26%	22%	48%
2. Family Premium	34%	28%	62%	22%	16%	38%
3. Two child limit	45%	28%	73%	19%	8%	27%
4. Temporary absence	52%	28%	80%	10%	10%	20%
5. Universal Credit	60%	27%	87%	5%	8%	13%
6. Self Employed	46%	29%	75%	20%	5%	25%

5. Proposed Local Council Tax Support Scheme

- 5.1 Following the successful application of the current scheme and taking into consideration the outcomes of the consultation undertaken, it is proposed that the council adopt proposals one to five.
- 5.2 Whilst respondents were in favour of the proposal to assume a minimum income floor for self-employed claimants, it is proposed that this option is no longer implemented at this current time given that the Work and Pensions committee is undertaking a further review of the application of the minimum income floor in relation to self-employed people. The outcome of this review, and implications of the full rollout of Universal Credit in Sunderland which is now planned to be in July 2018, will be considered in any review of the scheme for 2019. The main features of the LCTSS including the proposed changes are set out in Appendix A.

6. Financial Implications

- 6.1 The operation of the proposed scheme is expected to be broadly neutral when compared with the current year, with the cost of the scheme factored into the council's budget planning.

7. Reasons for the Decision

- 7.1 The council must have its Local Council Tax Support Scheme approved by 31 January 2018.
- 7.2 The proposed scheme, the main features, incorporating the proposed changes, of which are as set out at Appendix A, reflects the experience of the impact of the scheme to date, takes into account the recent consultation undertaken, and is seen to be a fair and affordable scheme for low-income residents. Impacts of the scheme will continue to be closely monitored following the LCTSS implementation in April 2018.

8. Alternative Options

- 8.1 There are no alternative options proposed. There is a statutory requirement for the Council to adopt a LCTSS for the ensuing financial year by 31 January.

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.

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.

