



Lewes District Council

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Scrutiny Panel – Localised Council Tax Support Scheme

Minutes of a meeting of the **Scrutiny Panel – Localised Council Tax Support Scheme** held in the **Garden Room, Lewes House, 32 High Street, Lewes** on **Wednesday 7 November 2012 at 10:00am**

Present:

Councillors S J Osborne (Chair), D R Edmunds, J V Harris, I A Nicholson and J Stockdale

Officers Attending:

R Allan, Scrutiny and Committee Officer
I Morris, Revenues Manager
J Magness, Director of Finance

In attendance:

Councillor A X Smith

Minutes

1 Election of Chair

Resolved:

- 1.1** That Councillor S J Osborne be elected Chair of the Scrutiny Panel – Localised Council Tax Support Scheme.

2 Localised Council Tax Support Scheme

The Panel received a presentation from the Director of Finance concerning further modelling on the Localised Council Tax Support Scheme. He took the Panel through the background to the Scheme, and added that software companies were at present making limited software changes to support implementation of Schemes across the country, but as all of the rules and regulations were not yet in place this was proving to be a challenge.

He also explained that the models available to assess changes were also fairly limited in their capabilities.

The Director of Finance introduced the Revenues Manager to the Panel, who explained the difference between passported and non-passported cases within the present and new Scheme. A passported claim for Council Tax Benefit purposes relates to claimants who have also received Income Support, Job Seekers Allowance (Income Based) or Employment Support Allowance (Income Related). All other claims were non-passported,

meaning their level of entitlement to Council Tax Benefit was means tested and was based on their level of income. He added that most of the information that concerned passported cases had been collected by the Department for Work and Pensions rather than the Council.

The Director of Finance highlighted to the Panel that the figures in the presentation were correct as of today, and could change on a daily basis because the modelling utilised the live database when each option was produced. In response to a Councillor's question, he clarified that the £97K shortfall in the Scheme was shared between all the Councils in East Sussex. The Revenues Manager added that some of the additional costs were due to the extra staff that would be required to administer the new Scheme. He added that discussions would be ongoing with East Sussex County Council to discuss the possibility of the County Council sharing some of the costs with Lewes District Council and other East Sussex billing authorities.

In response to a Councillor's question, the Director of Finance advised that a public consultation for the Localised Council Tax Support Scheme had closed on 29 October 2012. He confirmed that the Council had received around 400 responses and that these were currently being analysed.

The Director of Finance took the Panel through some further modelling on how the reduction of the capital limit to £6K could affect residents in the District. A discussion followed, and the Panel expressed concern that the impact of the reduction to £6k from £16K, as in the previous Scheme, could place a large financial burden on many residents of the District and act as a disincentive to save. Members of the Panel suggested that a taper could be placed on the reduction which could help residents of the District. In response to a Councillor's question, the Revenues Manager explained that any changes to the Scheme required the Revenues Department at the Council to write to additional residents (the passported cases) in the District in order to obtain updated financial information and that for any amount below £16,000 all such cases (approximately 2,300) would still need to be contacted.

The Chair confirmed that the Scheme had to be in place by 31 January 2013 and the Director of Finance added that it was the responsibility of Full Council at Lewes District Council to approve the Scheme. The Panel expressed concern at the lack of time before the 31 January 2013, and suggested that an extra Full Council meeting may be required after the Cabinet meeting on the 7 January 2013. The Director of Finance added that if the draft Scheme was not adopted, the Council would automatically be signed up to the National Scheme for one year. A discussion followed, and the Panel commented that it may be prudent to use the National Scheme to give the Council time to consider a detailed draft Localised Council Tax Support Scheme for Lewes District.

The Director of Finance highlighted to the Panel how the maximum benefit

limit of £20 in the draft Scheme would affect residents in the District and circulated a series of case studies to the Panel (a copy of which is contained in the Minute Book). The Director of Finance added that the East Sussex Scheme was believed to be one of a few such schemes in the country that had a proposed financial cap, and that others generally worked on a percentage rate. The Director explained the varying impact on residents across the District depending on whether their local Town or Parish Council had its own precept or not. The Panel expressed concern that the £20 cap would affect some of the most vulnerable residents in the District and could have a knock on effect on other costs.

The Panel expressed concern that certain aspects of the draft Scheme could be interpreted as a disincentive for residents to return to work, however the Director of Finance commented that the Scheme as a whole incentivised work and highlighted some examples of where this occurred such as earnings disregards, run on benefit periods where a claimant started work and not worsening the taper as some other council schemes had proposed.

The Director of Finance took the Panel through the Government's Transitional Scheme that had just been announced. The Transitional Scheme meant that extra grant money was available to the Council if their Localised Council Tax Support Scheme met certain criteria. The Revenues Manager explained that the present draft Localised Council Tax Support Scheme did not meet the criteria, but that the National Default Scheme did.

The Panel expressed concern that there was not enough information available in order to make a recommendation to Cabinet on the individual merits of the Scheme and that it would be important to consider the conclusions of other meetings that were taking place on this subject. It requested that a further meeting be arranged. The Director of Finance reiterated that all the Councils in East Sussex would be meeting to discuss the Scheme, as well as attending other useful meetings. The Panel was keen to receive the feedback from any meetings that took place.

In response to a Councillor's question, the Director of Finance explained that the Localised Council Tax Support Scheme was not directly linked to the new Universal Credit system, but added that this may change in the future by drawing upon the debate in the House of Lords on the passage of the Local Government Finance Bill. The Panel commented that the Centre for Social Justice had offered to draft a Scheme for Councils at a cost.

Resolved:

2.1 That the Director of Finance be requested to attend the Scrutiny Panel meeting on 27 November 2012 with an update on the draft Localised Council Tax Support Scheme;

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2.2 That the Director of Finance be requested to circulate the results of the consultation on the draft Localised Council Tax Support Scheme

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to members of the Scrutiny Panel; and

- 2.3** That the Scrutiny and Committee Officer be requested to arrange a further meeting of the Scrutiny Panel – Localised Council Tax Support Scheme on 27 November 2012 in order that the Panel can consider all the available information.

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and it was further

Recommended:

- 2.4** That Cabinet considers the arrangement of an extra Full Council meeting at Lewes District Council in early January 2013 after the Cabinet meeting on the 7 January 2013 to consider the draft Localised Council Tax Support Scheme; and

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- 2.5** That Cabinet agrees that the capital limit under the Localised Council Tax Support Scheme be not reduced to £6K and remain at 16K, to be reviewed in one year.

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3 Date of Next Meeting

Resolved:

- 3.1** That the next meeting of the Scrutiny Panel be held on Wednesday 27 November 2012 at 10.00am in a venue to be notified by the Scrutiny and Committee Officer.

All to
note/
S&CO

The meeting ended at 12.15pm

S J Osborne
Chair