

Body: Cabinet

Date: 22 October 2014

Subject: Local Council Tax Reduction Scheme

Report of: Ian Fitzpatrick, Senior Head of Community

Ward(s) All

Purpose To consider the 2015/16 Local scheme for Council Tax Reduction and to recommend to full Council that it be adopted

Decision Type: Policy Framework

Recommendation: a) That Cabinet recommend to full Council that it adopt the 2014/15 Local Council Tax Reduction scheme, with the minor amendments referred to below, as the 2015/16 scheme

Contact: Bill McCafferty, Revenues and Benefits Manager, Telephone 01323 415171 or internally on extension 5171.
E-mail address: bill.mccafferty@eastbourne.gov.uk

1.0 Background/Introduction

- 1.1 The coalition government abolished the national Council Tax Benefit scheme and required local authorities to introduce local schemes of support from April 2013.
- 1.2 The Council adopted a local scheme of support for 2013/14 on 16 January 2013 as well as agreeing changes to certain council tax discounts and exemptions. The Council further agreed, on 20 November 2013, that the 2013/14 scheme be adopted as the scheme for 2014/15.
- 1.3 The Council is under a duty to review its local scheme each year and any changes to the scheme must be adopted by 31 January preceding the start of the new financial year.

2.0 Current scheme 2014/15

- 2.1 The current scheme, which was also adopted by the other East Sussex districts and boroughs, followed the principles of protecting the most vulnerable, incentivising individuals into work and takes into account and responds to the requirement of government to reduce the cost by 10% of the previous Council Tax Benefit scheme.

- 2.2 The adopted scheme has the following features:
- Removal of second adult rebate
 - A minimum award of £5.00 per week
 - A reasonable increase in non-dependant deductions

3.0 Proposed Local Council Tax Reduction scheme for 2015/16

- 3.1 It is recommended that the 2014/15 Local Council Tax Reduction scheme, attached as Appendix A, with the amendments outlined in Appendix B, be adopted as the 2015/16 scheme.

4.0 Consultation

- 4.1 A full consultation was carried prior to adoption of the 2013/14 scheme. It was clarified subsequently that no further consultation was needed in relation to the 2014/15 scheme given it was to remain unchanged.

- 4.2 As the only changes in the 2015/16 scheme are those required by new legislation, there is no need for further consultation.

5.0 Resource Implications

- 5.1 Financial

- 5.2 The initial grant for 2013/14 and 2014/15 from government was £1,188,000. For 2014/15 this grant has been rolled-up into the Revenue Support Grant.

- 5.3 The estimated cost to the Council, after taking into account the additional income raised from changes to discounts and exemptions, ranges from £50k to £368k, depending on how the cut in Revenue Support Grant is applied (see tables below).

- 5.4 If the full cut in RSG is applied to LCTR grant:

	2015/16 Scheme
	£(000s)
EBC share of cost of scheme	1,333
Govt. funding	(871)
Disc & Exempts.	(94)
Cost	368

5.5 If the LCTR grant is at 13/14 level:

	2015/16 Scheme
	£(000s)
EBC share of cost of scheme	1,333
Govt. funding	(1,188)
Disc & Exempts.	(94)
Cost	51

5.6 At this stage in the financial year it is too early to say exactly how the scheme will perform against the estimations, although early findings suggest that it is on-track to deliver.

5.7 The county-wide project group will start work in early 2015 exploring options for the 2015/16 local scheme. By this time, a much clearer picture will have emerged on how the current scheme is performing in financial terms.

6.0 Staffing

6.1 There is no impact on staffing.

7.0 Other Implications

7.1 Equalities

7.2 An Equality and Fairness Analysis (Appendix B) was carried out during 2012 prior to the introduction of the scheme for 2103/14. We will continue to assess the impact of the scheme throughout the year. As the scheme broadly unchanged we have not carried out a further analysis.

8.0 Summary of Options

8.1 Council must adopt a scheme by 31 January 2015. If it does not, relevant legislation specifies that the default scheme will apply, which will be more costly to the Council. It is therefore proposed that the recommended scheme be adopted.

9.0 Conclusion

9.1 That the scheme in place in 2014/15, with minor amendments, be adopted for 2015/16 for the reasons set out in this report.

lead officer name: Bill McCafferty
job title: Revenues & Benefits Manager

Background Papers:

The Background Papers used in compiling this report were as follows:

None

Appendices

Appendix A (to follow) – Eastbourne Borough Council Local Council Tax Reduction scheme rules (The personal allowances and premiums at pages XXX – XXX (to be inserted) will be inserted once the Department for Work and Pensions has announced the annual up-rating figures)

Appendix B – Amendments to the 2014/15 scheme

To inspect or obtain copies of background papers please refer to the contact officer listed above.