

APPENDIX 15(i)

TELFORD & WREKIN COUNCIL

CABINET
FULL COUNCIL

14 February 2019
28 February 2019

TITLE

Council Tax Support Scheme for 2019/20

REPORT OF

Lee Higgins, Delivery Manager for Customer Relations
& Welfare Services

LEAD CABINET MEMBERS

Cllr Lee Carter & Cllr Richard Overton

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 We last consulted on our Council Tax Support Policy in 2016 when we proposed that the current scheme would stay in place until March 2020, unless Government Policy changes significantly. As there have been no major changes in Government Policy we are not proposing any local changes to the scheme for 2019/20 that will effect entitlement, although there are some small technical changes required to keep the scheme functioning in line with the wider welfare benefits system changes, particularly with the introduction of Universal Credit.

1.2 Since 2015/16 a £30,000 Hardship Fund has been approved each year by Cabinet. The Council Tax hardship scheme had been invaluable in providing additional support to the most vulnerable customers, and it is therefore recommended that this scheme be funded for a further 12 month at a cost of £30,000.

2. RECOMMENDATIONS

2.1 That Council approves the Council Tax Support Scheme Policy for 2019/20 attached in **Appendix A**.

2.2 That the Council Tax Support Hardship scheme continues with £30k funding for the financial year 2019/20

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	No	
	Will the proposals impact on specific groups of people?	
	Yes	These proposals will impact on all current and future working age recipients of Council Tax Support.
TARGET COMPLETION/DELIVERY DATE	The Council Support Tax scheme must be approved by full Council no later than 11 March 2019. The 2019/20 Council Tax Support scheme will commence on the 1st April 2019.	
FINANCIAL/VALUE FOR MONEY IMPACT		

Council Tax Support (CTS) is given as a council tax discount i.e. it reduces the council tax bill which in turn reduces the amount of council tax income the Council is able to generate. The discount is applied to the whole council tax bill and so CTS impacts on the Council, Police, Fire and Parishes.

There are no proposed local changes to the scheme for 2019/20.

The roll out of Universal Credit may have an impact on the cost of CTS although unknown at present and the position will be monitored during 2019/20.

The current estimated CTS Scheme costs for 2018/19 and 2019/20 are:

2018/19 Projected Cost	£12.04m
2019/20 Projected Cost (incl. 3.2% CT increase)	£12.44m

The cost of CTS together with other changes to the council tax base position, such as growth in the number of dwellings, is included in the Council's overall budget strategy.

Around 4% of total council tax income relates to CTS recipients. Overall, council tax collection rates remain positive, although slightly below the target set for the year. Current collection figures for 2013/14 (the first year of CTS) are 99.46%. Collection will continue to be monitored and reported through the regular financial management reports presented to Cabinet.

Council tax income is accounted for through the Collection Fund and ultimately any CTS over/underspends against budget will feed into the Collection Fund surplus/deficit which is shared between major precepting authorities (Police, Fire, TWC). Any surplus is available to feed into future budget strategies.

The hardship fund of £0.030m will be accommodated in the 2019/20 budget strategy from within the collection fund.

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LEGAL ISSUES

The Local Government Finance Act 2012 requires that for each financial year, each billing authority must consider whether to revise its Council Tax Support Scheme or to replace it with another scheme.

The review of the current scheme as approved by Full Council in January 2017 has established that the scheme continues to deliver on its original objectives and at this time there is no compelling reason to make any amendments other than to adjust annually in line with the uprating of welfare benefits and any amendments to national benefit regulations.

Consultation on and approval of the continuation of the existing Scheme is not required as no changes are being made to the scheme itself at this stage. Where changes are made to the scheme, regulations stipulate that all those affected or who could be affected should be consulted.

OTHER IMPACTS, RISKS & OPPORTUNITIES

The wider changes to welfare benefits that have been implemented by the Government over previous years may have a financial impact on many of the same residents who are in receipt of Council Tax Support. We continue to keep this under close scrutiny however year on year the numbers of residents claiming Council Tax Support is gradually reducing.

IMPACT ON SPECIFIC WARDS	No	Borough wide impact
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PART B) – ADDITIONAL INFORMATION

4.0 Background

- 4.1. The Government announced as part of the Spending Review in 2010, that it would localise support for Council Tax from 2013/14.
- 4.2. Councils were required to establish local Council Tax Support (CTS) schemes to be implemented on 1 April 2013.
- 4.3. Whilst the regulations provided councils with flexibility to set up their own local arrangements customers who have reached pension age have their entitlement determined by a nationally prescribed scheme. The Government also expressed a clear intention that councils should within their CTS scheme consider support for vulnerable groups and support work incentives and in particular avoid disincentives to move into work.
- 4.4. In the 2017/18 council tax support scheme report, considered by full council in January 2017, approval was given for the Council Tax Support scheme to remain unchanged until at least 2020/21 unless Government policy was to change significantly. A full public consultation on the changes to the Council Tax Scheme for 2017/18 was undertaken from the 8 September 2016 to the 1 November 2016. As part of the public consultation we also proposed that we would not consult again on the scheme until 2019 at the earliest. Further details if required detailing the current scheme can be found in the January 2017 report to full council.
- 4.5. The scheme for 2019/20 will continue to impact on all current and future working age recipients of Council Tax Support. There are approximately 4,700 working age recipients who fall outside of the protected vulnerable group.
- 4.6. A shortened Community Impact Assessment of the scheme has been undertaken and can be made available upon request.

5.0 PREVIOUS MINUTES

- 5.1 Minute 66 (iii) of the Council meeting of 11 January 2018 (Localised Council Tax Support Scheme 2018/19 and Council Tax Support Hardship Policy).

6.0 BACKGROUND PAPERS

- Appendix A - Council Tax Reduction Scheme Policy under S13a (s) and Schedule 1a of the Local Government Finance Act 1992