

<b>SUBJECT:</b>	<b>Council Tax Support Scheme 2015/2016</b>
<b>REPORT OF:</b>	<b>Nicola Ellis - Head of Customer Services</b>

## 1. Purpose of Report

- 1.1 This report is to enable Cabinet to recommend the Council Tax Support Scheme for 2015/2016 to full Council. Whilst there are no legal requirements to obtain the approval of members if no substantial changes are planned to the current scheme, it is considered good practice.

## 2. Links to Council Policy Objectives

- 2.1 A Council Tax Support scheme with appropriate protections ensures that vulnerable people are protected from increased Council Tax bills whilst the Councils resources are also optimised.

## 3. Background

- 3.1 As part of the changes introduced through the Welfare Reform Act the national scheme for council tax benefit was abolished from 31 March 2013 and replaced by a requirement to determine a local discount scheme. Funding for providing support to residents was also reduced by 10%.
- 3.2 In responding to that change a number of options were explored in 2013/14 and 2014/15. After consultation the preferred option in 2013/14 was to maintain eligibility for council tax support at the same levels as the former council tax benefit scheme. However the scheme was adjusted in 2014/15 to allow a maximum award of 90% for vulnerable claimants of working age, and maximum of 80% for other working age claimants; in both cases the maximum council tax reduction was based on a council tax Band D property. Pensioners were protected nationally from any reduction in maximum entitlement.
- 3.3 In 2013/14 the cost of the CTR scheme was £4.2m. Following the introduction of the changes for 2014/15, the cost for the current year is estimated at £3.7m.

## 4. Proposal/Discussion

- 4.1 The proposal is that the scheme remains unchanged for the financial year 2015/16 other than the annual uprating of premiums and allowances as given in the Department for Work & Pensions up-rating circular issued on 17 December 2014, and any changes to the national pension age scheme that need to be reflected in the Council's Scheme.
- 4.2 The scheme has operated well since it was introduced in April 2013 and in its revised format from April 2014. Maintaining the current levels of maximum entitlement will give some stability for current recipients of Council Tax Support as they will know approximately how much Council Tax they will have to pay. There were relatively few queries or complaints in April 2014 when some of the

working age claimants will have received their Council Tax demands showing an amount payable.

- 4.3 In 2014/15 Members agreed to set aside a fund of £50,000 so that discretionary payments could be made in cases of exceptional hardship. These are usually short term awards to support claimants as they make adjustments to their lifestyles and budgets to enable them to pay their council tax eg supporting claimants as they make the transition back to work. The number of discretionary payments made so far during 2014/15 is 130 totalling £25.5k. The additional support the Council has been able to provide in these cases at a time of great need has assisted people over difficult times in their lives. Even a relatively small additional temporary payment can help to prevent such social consequences as family break ups and homelessness, and it is recommended that Members approve a discretionary hardship fund of £50,000 for 2015/16.
- 4.4 Monitoring of the scheme together with collection performance will continue throughout 2015/16 to assess whether any changes would be required from April 2016 onwards.
- 4.5 A copy of the 2015/2016 scheme is not included in this report due to its size but is available to view in the members' room.

## 5. Resources, Risk and Other Implications

- 5.1 There are no additional resource implications if the scheme remains the same.

## 6. Recommendation(s)

- 6.1 The Council Tax Support Scheme for 2015/16 remains unchanged apart from the minor up-ratings etc detailed in para 4.1
- 6.2 Approval of a discretionary hardship fund of £50,000 for 2015/16

<b>Portfolio Holder</b>	<b>Cllr Fred Wilson</b>
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<b>Background Papers:</b>	<b>Council Tax Support Scheme 2015.2016</b>