

<b>SUBJECT:</b>	<b>Council Tax Support from 1 April 2014</b>
<b>REPORT OF:</b>	<b>Officer Management Team - Director of Resources Prepared by N Berry - Revenues and Benefits Client Manager</b>

## 1. Purpose of Report

- 1.1 To inform members of the first few months of operation of the localised Council Tax Support Scheme, which was introduced in April 2013.
- 1.2 To consider the merits of changing the scheme from April 2014

## 2. Links to Council Policy Objectives

- 2.1 The local scheme for Council Tax Support balances the need for prudent and sustainable use of resources with the need to support the local community.

## 3. Background

- 3.1 At its meeting on xx January 2013, members agreed to adopt a localised Council Tax Support Scheme. This followed various consultation exercises.
- 3.2 Following a cut in central government funding, the scheme adopted reduced the level of support given to working age claimants by 20%.
- 3.3 Certain groups were protected from such a reduction in support. These were claims where the claimant, partner or any dependant within the household was in receipt of :-
  - Disability Living Allowance (DLA).
  - Personal Independence Payment (PIP).
  - Incapacity Benefit (long term rate).
  - Employment and Support Allowance (ESA), support component.
  - Severe Disability Allowance.
  - Is registered or certified blind.
  - Is in receipt of a war pension or a war disablement pension.
- 3.4 In addition to the 20% cut, the other change introduced was that the capital cut off level was reduced from £16,000 to £6,000 meaning that anyone with capital over £6,000 could no longer qualify for support.

## 4. The Current Position (April 2013 to March 2014)

- 4.1 Initially there were just over 1000 affected claimants within South Bucks and all were notified of the changes in February 2013 in advance of a new year council tax bill being sent.
- 4.2 Early communication enabled identification of additional claimants who should have been in one of the protected groups and the number affected then reduced to just under 900.

- 4.3 Whilst it is still very early within the financial year to reach a definitive conclusion, early signs are that there appears to be a general acceptance of the need to contribute to council tax and payment rates for initial instalments appear to be good. Collection rates have varied very little from previous years and the number of reminders issued in April actually fell slightly. The national publicity around changes to the welfare system has ensured that the implementation of changes to Council Tax Support did not come as a shock to many.
- 4.4 Additional notices have been built into the recovery process this year for the 'new' taxpayers, which hopefully will reduce the number who will be subject to recovery action through the courts. As court action will not commence for a couple of months it is impossible at this stage to estimate the impact although staff have all been instructed to deal with these customers in an understanding manner to encourage payment without the need for any further action.
- 4.5 A number of cases have been identified where the claimant has exceptional circumstances which warrant additional help and these claimants have been helped through the Discretionary Council Tax Support Scheme which was agreed by members in March. Again it is too early to estimate the numbers and level of support required through this scheme however it is proposed that a report will be brought back to members later this year to report on both this scheme and the Discretionary Housing Payments Scheme. At this point members will wish to consider if a Discretionary Scheme should be agreed for 2014/15

## 5. Timescale for changing the scheme from April 2014

- 5.1 Should the council wish to change any aspect of the scheme preparatory work must commence very shortly due to the requirements to carry out consultation on the proposals.
- 5.2 As the new scheme is still in its formative stage, to propose changes to it now would be to do so on a basis of very little evidence of its actual operation and it may therefore be prudent to see how the scheme beds in over a longer period.
- 5.3 By the spring of 2014 the scheme will have been in operation for a full year and by then evidence will be available of whether there have been issues with collection and whether any specific groups have been particularly adversely affected by the changes implemented. Based on this actual information, decisions can then be made on revising the scheme, if necessary, for April 2015.

## 6. Recommendation

- 6.1 The advice of the PAG is sought on whether the Portfolio Holder should be asked to recommend to the Cabinet that the Council Tax Support Scheme for 2014/15 remains unchanged and that a report is brought back to members in Spring 2014 to consider any changes required from April 2015.

<b>Officer Contact:</b>	Nicola Ellis <a href="mailto:Nicola.ellis@southbucks.gov.uk">Nicola.ellis@southbucks.gov.uk</a>
<b>Background Papers:</b>	None