

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

01 OCTOBER 2015

8

Report Title	LOCAL COUNCIL TAX SUPPORT SCHEME
Purpose of Report	To set a Council Tax Support Scheme for the period 01 April 2016 to 31 March 2017
Decision(s)	Strategy and Resources Committee RECOMMENDS to Council that it adopts the current Local Scheme as the scheme for Stroud District Council for the period 01 April 2016 to 31 March 2017
Consultation and Feedback	Consultation took place between 14 August 2015 to 25 September 2015. A summary of the consultation is detailed in background papers
Financial Implications and Risk Assessment	If the 2016/17 scheme proceeds on the same basis as the existing one, the financial implications are likely to remain as they are now. However, if following consultation another option is chosen, outcomes such as those outlined in paragraphs 9 and 10 are likely to be a consequence. Ian Garrett, Principal Accountant Tel: 01453 754344 ian.garrett@stroud.gov.uk
Legal Implications	The Local Government Finance Act 1992, as amended, together with accompanying secondary legislation, requires the Council to put and keep in place a scheme governing the reduction of Council Tax payable by persons or classes of persons which the Council considers to be in financial need. The legislation allows the Council to devise its own scheme or to adopt a model scheme devised by the Secretary of State. Mike Wallbank Solicitor Tel: 01453 754362 Email: mike.wallbank@stroud.gov.uk

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Options	Council could choose to adopt a scheme that reduces the Council Tax Support that working age claimants received. A number of these options are detailed in Appendix A of this report. These options are not recommended as set out in this report.
Performance Management Follow Up	Scheme impacts and costs will be monitored on an on-going basis. Further reports will be made in 2016 on the scheme for 2016/17.
Background Papers/ Appendices	Appendix A – Savings Modelling Appendix B – Caseload data Appendix C – Summary of Scheme Appendix D - Consultation

Background

1. The Welfare Reform Act 2012 abolished Council Tax benefit. Under the Local Government Finance Act 2012 local authorities were required to develop a local Council Tax Support scheme which protects pensioners.
2. Following a countywide consultation all of the Gloucestershire districts adopted the default scheme in 2013/14, 2014/15 and 2015/16 (apart from Cotswold DC) which basically mirrored the previous Council Tax benefit scheme. We now have to design a scheme for 2016/17.
3. Stroud has carried out consultation on ways by which the scheme could be changed for 2016/17. Within the consultation were included some models by which we could reduce the level of Council Tax support for working age customers only. Council Tax support for pension age customers can not be reduced.

Working within the County

4. We are working with the other districts on a new scheme for 2016/17. All but one of the districts, along with the County Council, are of the view that Council Tax support should not be reduced, particularly in light of all the other benefit changes taking place and the impact this is having on the most vulnerable claimants. The exception to this is Cotswold DC who has cut Council Tax support by 8.5% for working age customers.
5. As the billing authority, we must consult with our major preceptors, the Police and the County Council on our proposed scheme. As the majority of Council

Tax collected is on their behalf, should we decide not to change the scheme, they are most affected by any reduction in funding.

Funding

6. The Government continues to cut the level of funding. The changes to empty property discounts have generated additional Council Tax income which has helped to offset the shortfall in funding of the local Council Tax support scheme.
7. The number of claimants receiving Council Tax support is 6,719 compared with 6,950 in 2014/15. This has led to a fall in expenditure of over £200k.

Consultation

8. We undertook consultation on suggestions for our 2016/17 scheme between 14 August 2015 and 25 September 2015 using an on-line web survey. A link to the consultation is in the back ground papers

Implications

9. If the option to reduce Council Tax support is taken we will be collecting money from claimants who may previously have paid nothing and also be faced with having to pay small amounts. There is potential for a drop in the Council Tax collection and an increase in cost of collection as a result of having to take more recovery action due to non-payment.
10. If the Council Tax charge is increased in 2016/17 then there is a financial implication and risk to the Council as government funding towards the local Council tax support scheme will not change.