

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

12 OCTOBER 2017

8

Report Title	LOCAL COUNCIL TAX SUPPORT SCHEME
Purpose of Report	To set a Council Tax Support Scheme for the period 01 April 2018 to 31 March 2019.
Decision(s)	Strategy and Resources Committee RECOMMENDS to Council that it adopts the Local Scheme as the scheme for Stroud District Council for the period 01 April 2018 to 31 March 2019.
Consultation and Feedback	Consultation took place between 31/07/2017 - 25/08/2017
Financial Implications and Risk Assessment	<p>The report recommends that the Council continues with the default Local Council Tax Support scheme that was adopted in April 2013. The report also sets out the cost associated with providing the same level of Council Tax support locally that was previously provided under the national Council Tax Benefit scheme.</p> <p>Whilst an element of this costs has been absorbed through increases in the overall taxbase and changes to other discounts and exemptions, the overall cost has increased year-on-year. This is due to the initial funding from the government being included within the Revenue Support Grant and the Business Rates baseline assessment. As RSG has reduced, the total cost to the council has increased despite a reduction in caseload numbers.</p> <p>To reduce the cost to the Council, changes would have to be made to the level of support provided to working age claimants. Most local authorities have already incorporated a reduce level of support into their local schemes and it should be something that is reviewed and considered on an annual basis. There is a risk that the cost of maintaining the current local scheme will increase if the number of claimants rise due to a deterioration in the local and national economy.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>

Legal Implications	No significant legal implications. Karen Trickey - Legal Services Manager and Monitoring Officer Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk
Report Author	Simon Killen – Revenue and Benefit Manager Tel: 01453 754013 Email: simon.killen@stroud.gov.uk
Options	Council could choose to adopt a scheme that reduces the Council Tax Support that working age claimants receive, although is not recommended as set out in the report.
Performance Management Follow Up	Scheme impact and costs will be monitored on an on-going basis and any significant changes will be reported to the committee.
Background Papers/ Appendices	Appendix A – Summary of Scheme

1. BACKGROUND

- 1.1 The Welfare Reform Act 2012 abolished Council Tax benefit. Under the Local Government Finance Act 1992 local authorities are required to develop a local Council Tax Support scheme which protects pensioners.
- 1.2 Following a countywide consultation, all of the Gloucestershire districts have adopted the default scheme since 2013/14 (apart from Cotswold DC) which basically mirrors the previous Council Tax Support scheme and has meant no changes or reduction in support.
- 1.3 Consultation has been carried out on ways by which the scheme could be changed for 2018/19. Within the consultation were included some models by which we could reduce the level of Council Tax support for working age claimants only.
- 1.4 Members were consulted during the budget workshops earlier in the year.

2. WORKING WITHIN THE COUNTY

- 2.1 We are working with the other districts on a new scheme for 2018/19. All but one of the districts along with Gloucestershire 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.
- 2.2 Nationally, just 37 councils continue to provide the same level of support as was available under the Council Tax benefit scheme.
- 2.3 As the billing authority, we must consult with our major preceptors, the Parishes and Town Council, Police and Crime Commissioner and Gloucestershire 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.

3. FUNDING AND COST OF THE SCHEME

3.1 Caseload data shows a reduction in the number of claimants entitled to Council Tax support

Year	CTAX Property Charge (£)	CTAX Support (£)	Cost of scheme (SDC share 12%) (£)	Working age case count	Pensionable case count	*Total Funding in RSG/BRR (£)	Shortfall (£)
2013/14	69,177,196	6,483,035	777,964	3,539	3,785	729,493	48,471
2014/15	70,156,842	6,254,020	750,482	3,520	3,596	636,603	113,879
2015/16	71,199,540	5,990,547	718,866	3,443	3,448	543,583	175,283
2016/17	74,528,050	5,971,690	716,603	3,294	3,288	443,924	286,679
2017/18	77,508,861	5,904,049	708,486	3,225	3,114	338,568	369,918

*RSG – Revenue Support Grant / BRR – Business Rates Retention

3.2 The changes to empty property discounts have generated additional Council Tax charge for 2016/17 of approximately £1,432,979 (SDC share £171,957) which has helped to offset the shortfall in funding on the Council Tax support scheme.

3.3 Changes have meant if a property is unoccupied and unfurnished a 25% discount is awarded for up to 6 months, with a full charge payable after 6 months. If a property has been unoccupied and unfurnished for two years or more than an additional 50% premium is added to the charge (150%).

4. IMPLICATIONS

4.1 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 a potential for a drop in the Council Tax collection and increase in cost of collection as a result of having to take more recovery action for non-payment..

4.2 If the Council Tax charge is increased in 2018/19 then there is a financial implication and risk to the council as government funding towards the Council Tax support scheme will not change