

Report title	Local Council Tax Support Scheme	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Corporate Plan priority	Confident Capable Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Revenues and Benefits	
Accountable employee	Sue Martin	Head of Revenues and Benefits
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Report to be/has been considered by	Corporate Leadership Team	8 January 2019
	Council	30 January 2019

Recommendations for decision:

The Cabinet is recommended to recommend that Council:

1. Approves a revision to the Local Council Tax Support Scheme so that changes in entitlement of £3 or less are not applied.
2. Approves a revision to the Local Council Tax Support Scheme so that the financial and household information used to assess entitlement to Universal Credit is used to calculate council tax support.
3. Approves a revision to the Local Council Tax Support Scheme so that claims will be accepted from notification of an award of Income Support, Jobseeker's Allowance (income-based), Employment and Support Allowance (income-related) or Universal Credit.
4. Approves the revised scheme for adoption from 1 April 2019.
5. Approves a scheme of transitional protection for 2019-2020.

Recommendations for noting:

The Cabinet is recommended to note:

1. The consultation feedback and equality analysis.

1.0 Purpose

- 1.1 This report seeks approval from Cabinet to submit the Local Council Tax Support Scheme to Full Council with a recommendation that the proposed revisions to the scheme be adopted from 1st April 2019.

2.0 Background

- 2.1 The Council has operated its own Council Tax Support Scheme since 2013. Rules are set locally for working age families whereas the Government continues to set the rules applying to pensioners.
- 2.2 On 11 July 2018, Cabinet approved the publication of a revised draft local scheme for public consultation.

3.0 Revisions to the scheme

- 3.1 Taking account of the equalities analysis and consultation feedback, the following revisions to the scheme are recommended:
- a. Introduction of a minimum change rule so that increases or decreases in entitlement of £3 or less per week are not applied to the assessment. Changes will be held until the cumulative impact of any further changes exceeds £3 per week, or until the annual calculation for the next financial year; whichever happens first.
 - b. Calculation of council tax support will be based on the household and financial information used to calculate Universal Credit.
 - c. Claims for council tax support will be accepted from notification of an award of Income Support, Jobseeker's Allowance (income-based), Employment and Support Allowance (income-related) or Universal Credit.

4.0 Consultation and analysis

- 4.1 The Local Government Finance Act 2012 specifies that before adopting or revising a scheme, the Council must (in the following order):
- a. Consult any major precepting authority which has power to issue a precept to it.
 - b. Publish a draft scheme in such a manner as it thinks fit.
 - c. Consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 4.2 The Council has carried out a public consultation in line with the requirements set out above. This included an on-line survey, publicity through social media and posters in libraries and jobcentres. Local voluntary groups were invited to a workshop event to collect their feedback.
- 4.3 Consultation commenced on 28 August and ran until 19 November 2018.

4.4 Response to the consultation questions can be summarised as follows:

To what extent do you agree or disagree with	Strongly agree / agree	Strongly disagree / disagree
Proposal 1: Introduce a minimum change rule when an award of council tax support increases or decreases for working age customers	64%	17%
Proposal 2: The same financial and household information used to assess Universal Credit will be used to determine council tax support	54%	30%

4.5 Whilst acknowledging the number of people responding to the consultation was low, a positive level of support and agreement for the proposed revisions can be concluded from the consultation exercise.

4.6 A detailed report on the outcome of consultation is attached as Appendix 1 to this report.

5.0 Transitional protection

5.1 If any changes are made that have the effect of making the scheme less generous, the Council is under a duty to consider transitional protection for any individuals that would receive a lower level of support.

5.2 In the current scheme an additional earnings disregard is applied where more than 16 hours per week are worked. The use of information from Universal Credit assessments to determine council tax support will mean that the number of hours worked per week will no longer be collected and the disregard will be removed from the scheme for claims where Universal Credit is in payment.

5.3 The effect of this will be to reduce the council tax support award for approximately 200 households by an average of £136 per year.

5.4 In response it is recommended that each affected household is given transitional protection for one year by a one-off award equivalent to the reduction in their council tax support for the 2019-2020 billing year.

6.0 Evaluation of alternative options

6.1 Alternative options were considered and set out in the report to [Cabinet on 11 July 2018](#).

7.0 Reasons for decisions

7.1 The decision to adopt the proposed scheme changes will contribute towards reducing administrative costs. With one exception, set out in section 5, the changes do not alter the entitlement rules under the scheme.

7.2 The introduction of a minimum change rule will reduce the number of revised council tax bills issued which can be for minimal differences. Each revised bill will result in changed instalment amounts which can cause confusion for customers.

7.3 Accepting claims for council tax support from notification of receipt of another state benefit will help address some of the confusion customers experience when they move to Universal Credit and speed up the process of applying a reduction to their bill.

8.0 Financial implications

8.1 Comparison with other local authorities suggests that housing benefit administration subsidy reduces by around 25% in the year following the roll out of Universal Credit. Applying this forecast to our grant could mean it being cut by as much as £300,000 in 2019-2020. It is envisaged that the cost of administering the scheme will reduce by adopting the proposed changes set out in this report.

8.2 Whilst the value of reduced administration cannot be forecast precisely at this time, it is hoped that it should go some way towards offsetting the anticipated reduction in administration subsidy in 2019-2020.

8.3 Ending the collection of data about the number of hours worked and therefore the additional earnings disregard would lower the cost of the scheme by up to £30,000 per year once any period of transitional protection ends.

[MH/20122018/S]

9.0 Legal implications

9.1 The Local Government Finance Act 1992 as amended includes a requirement for the Council to adopt any revisions to its local council tax support scheme by 11 March of the year in which changes are to be implemented. Failure to do so would result in the Council having to maintain the scheme currently in place.

9.2 Section 67 (2)(aa) Local Government Finance Act 1992 as amended by the 2012 Act states that the implementation of a local council tax support scheme and any subsequent revisions to the scheme will be a function reserved to full Council.

9.3 The framework within which billing authorities must devise their council tax reduction schemes is contained in Part 1 of Schedule 4 to the Act. This Schedule provides that the following matters must be included in an authority's scheme:

- a. a description of the classes of person entitled to a council tax reduction;
- b. details of the reductions which are to apply to those classes (different classes of persons may be entitled to different reductions);
- c. the procedure under which a person may apply for a Council Tax reduction; and
- d. an appeals procedure covering decisions over entitlement to a reduction and the amount of any reduction due.

These items are all included in the proposed revised scheme.

9.4 The Council has completed an equality analysis, attached at appendix 2, to assess the impact of the proposed revisions to the Local Council Tax Support Scheme.

- 9.5 Consultation has been carried out in accordance with the sequence set out in the 2012 Act. The Council has attempted to ensure that all interested parties are able to give a view.
- 9.6 The Council must consider whether there are any groups or individuals that are adversely impacted by any changes when making its final decisions on a local scheme
[JSM/12122018]

10.0 Equalities implications

- 10.1 A full equality analysis has been carried out in respect of the proposed revisions to the local council tax support scheme and a summary is included as appendix 2 to this report.
- 10.2 The proposals described in this report were consulted upon and are supported by the majority of views expressed by respondents to the consultation. Some positive outcomes are expected by the equality analysis and mitigating actions are in place where implications suggest that they may be necessary. Equalities considerations are included in the monitoring of the scheme to ensure it demonstrates that support is awarded fairly and to inform any future reviews of the scheme. Any revisions to the scheme required by consideration of the results of monitoring will be acted upon in accordance with these requirements

11.0 Environmental implications

- 11.1 There are no environmental implications arising from this report.

12.0 Human resources implications

- 12.1 There are no human resources implications arising from this report.

13.0 Corporate landlord implications

- 13.1 There are no corporate landlord implications arising from this report.

14.0 Health and wellbeing implications

- 14.1 There are no health and wellbeing implications arising from this report.

15.0 Schedule of background papers

- 15.1 [Cabinet, 11 July 2018 – ‘Local Council Tax Support Scheme’](#)

16.0 Appendices

Appendix 1 – Consultation feedback report

Appendix 2 – Equality analysis

Appendix 3 - Wolverhampton S13A Scheme 2019