

Subject:	Local Council Tax Support Scheme 2017-18	Status:	For Publication
Report to:	Overview & Scrutiny Council	Date:	7 th November 2016 14 th December 2016
Report of:	Head of Customer Services & I.C.T.	Portfolio Holder:	Customer Services and Health
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Ian Walker	Telephone:	01706 252592
Email:	ianwalker@rossendalebc.gov.uk		

1.	RECOMMENDATION(S)
1.1	That Full Council approve the Local Council Tax Support (CTS) Scheme for 2017/18 as set out in this report.

2. PURPOSE OF REPORT

- 2.1 To seek approval of Rossendale Borough Council's Local Council Tax Support Scheme for 2016/17. The proposed scheme is to remain the same; based on the housing benefit regulations with a maximum 80% level of support for working age customers. A series of amendments are proposed which mirror changes introduced to the housing benefit regulations in order to maintain the link between the two.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 The Local CTS Scheme is subject to annual approval, by full Council.

The Local Government Finance Bill states that an Authority must make any revision to its scheme, or any replacement scheme, **no later than 31 January** in the financial year preceding that for which the revision or replacement scheme is to have effect.

5. BACKGROUND AND OPTIONS

- 5.1 Council Tax Benefit was first replaced by a Local Scheme of Council Tax Support in April, 2013.

Funding to Local authorities to pay for this support was reduced in 2013/14 from 100% subsidy to a grant. This value of this does not move as demand levels change and has now been merged into the Council's annual financial settlement, of which the revenue support Grant element will cease in 2018/19

- 5.2 The scheme approved in December 2012 and adopted by Rossendale Borough Council matched the previous Council Tax Benefit scheme but with a 20% reduction in entitlement for

those of working age. Extensive consultation was undertaken on this scheme and it was broadly supported. It is not proposed to vary the overall percentage reduction in entitlement for working age applicants.

- 5.3 Our Local CTS scheme is based, in a large part, on the previous Council Tax Benefit scheme, which in itself ran parallel to the housing benefit system. As such it remains a means tested benefit in all but name. This approach is common amongst almost all local authorities, with only one authority (South Gloucester) adopting a banded discount scheme of its own design.
- 5.4 Whilst local authorities are able to set their own CTS schemes, based on local circumstances and needs, all local authorities are required to provide pensioners with the same level of support received under the previous national Council Tax Benefit Scheme.
- 5.5 Consequently, most local authorities now have hybrid schemes, whereby those eligible of pensionable age receive up to 100% of their Council Tax bill in support, whilst the maximum level of support for working age customers is typically lower. In Rossendale the level of support is currently up to a maximum of 80%.
- 5.6 For the 2017/18 charge year, the Government is introducing a number of changes to the way Housing Benefit is calculated. The current CTS scheme effectively mirrors the Housing Benefit Scheme. A decision must therefore be made whether to incorporate these changes into the Council's CTS scheme for 2017/18, or to keep the scheme unchanged. If the scheme remains unchanged then some customer circumstances will be treated differently for HB and CTS despite being assessed as part of the same claims process.
- 5.7 Rollout of Universal Credit is currently not expected to be completed until 2022. Therefore local authorities are expected to retain a duty to manage housing benefit claims until that time. It may be that once housing benefit ceases to be a local authority function, then local councils will adopt a different basis for CTS schemes entirely. To do so at this time would be a significant undertaking. Any scheme would have to be modelled in such a way as to take account of all possible combinations of income/benefits for low income customers, and to allow the council to offer a level of support that is both affordable and perceived as fair.
- 5.8 The changes outlined in this report are proposed in order to maintain the underlying principle of the current scheme, that the rules around the CTS scheme will reflect the prevailing Housing benefit Regulations. These individual changes are outlined in appendix 1.
- 5.9 Proposal 5, relating to dependent children, will only be adopted if it does become part of the Housing Benefit regulations. To date the Government has stated its intention to make this change with effect from April 2017, but has not yet passed the relevant legislation.
- 5.10 The scheme would also include annual benefit uprating based upon any DWP inflationary increases, as has been the case in each previous year of the local scheme.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 The Council's default scheme has been accounted for in the Council's Medium Term Financial Strategy.

7. MONITORING OFFICER

7.1 The Council is required to formally adopt a scheme by 31 January each year to commence on 1 April of that year and to consult on any potential changes to the scheme.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Consultation was undertaken in June – September 2016 on the proposed changes. The consultation report is included as one of the background papers and is also reflected in appendix one which outlines the various changes in detail.

8.2 This report and any additional recommendations arising from it will be brought to Full Council on 14th December 2016 for a final decision.

8.3 There are no HR implications.

9. CONCLUSION

9.1 It is proposed to continue with the scheme approved in December 2013, but including benefit uprating for 2017/18, and the various changes outlined in order to maintain the prevailing Housing benefit regulations as the underlying basis for the scheme.

Background Papers

Document	Place of Inspection
Council Tax Support Scheme	http://www.rossendale.gov.uk/info/200028/council_tax/467/council_tax_support_scheme
Government guidance on absence from Great Britain	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539232/a7-2016.pdf
Consultation response summary	http://www.rossendale.gov.uk/site/scripts/download_info.php?downloadID=683

Appendix 1 - Proposals

Council Tax support Scheme 2017/18

Proposal 1 Family Premium

- To remove family premium from 1st April 2017 for new claims.

The family premium is part of how Applicable Amounts (needs) of any claimant is assessed. Applicable amounts are compared to income in order to calculate benefit. Family Premium is normally given when a claimant has at least one dependant child living with them.

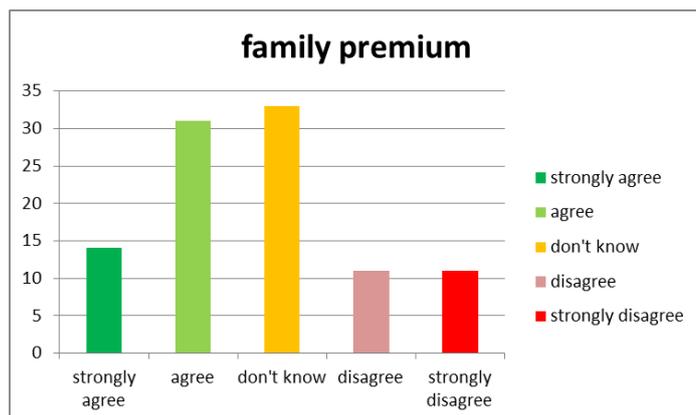
Removing the family premium will mean that a claimant's needs is assessed it would not include the family premium (currently £17.45 per week). This in turn translates to a reduction in Council Tax support of £3.47 per week.

This change would not affect those on passported benefits. These are Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance. Claimants on any of these benefits would retain the current level of entitlement.

New working age residents, not on a passported benefit would see a reduction in the amount of support they receive.

It should be noted that this proposal is intended to apply to new claims only. Existing claims would not be affected.

In consultation 45% of respondents agreed or strongly agreed with the proposal, 33% did not know and 22% disagreed or strongly disagreed.



Proposal 2 Backdating

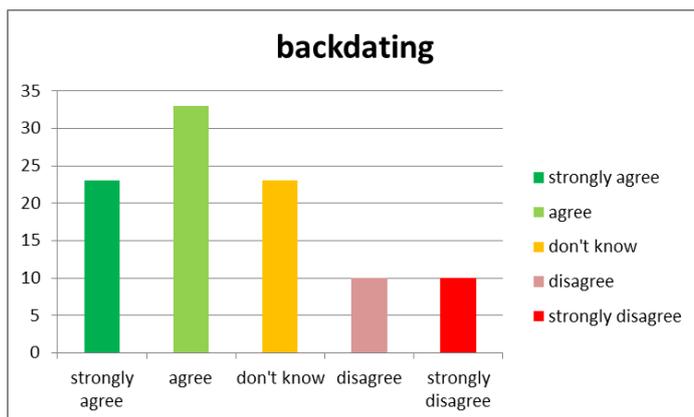
- To limit the period that CTS claims can be backdated.

It should be noted that any delay in processing a claim is not backdating. Claimants are also allowed time to provide evidence to support their claim. A backdated claim occurs when at first contact, the claimant wishes to claim for an earlier period.

Currently claims for Council Tax Scheme from working age claimants can be backdated for up to six months where an applicant can demonstrate continuous good cause for not having claimed earlier. It is proposed to reduce this period to one month in line with Housing Benefit claims

New working age claimants may see a reduction in the amount of support they receive if they are unable to claim on time. It should be noted that claims are not routinely backdated. An example of 'good cause' is a customer being too ill to have claimed; being unaware of potential entitlement is not.

In consultation 56% of respondents agreed or strongly agreed with the proposal, 23% did not know and 22% disagreed or strongly disagreed.



No data is held regarding the number of backdating appeals received in any year.

Proposal 3 Absence from Great Britain

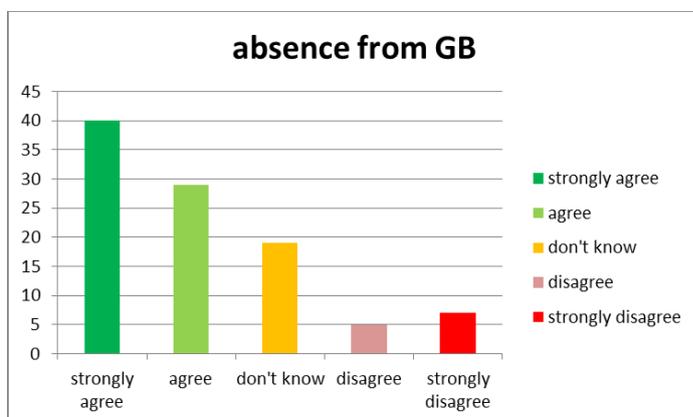
- To limit the amount of time a customer can be absent from Great Britain, without it affecting entitlement to CTS, to four weeks

Within the current scheme, applicants can be temporarily absent from their homes for 13 weeks (or 52 weeks in certain cases) without it affecting the Council Tax Support. This replicated the previous rules within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than four weeks, their benefit will cease. It is proposed that the Council's Council Tax Support Scheme is similarly amended. There would be exceptions for certain occupations such as the armed forces or for persons who have left their home through fear of violence.

A full list of exceptions for Housing Benefit, which will be reflected in the CTS scheme are included in HB circular HB A7/2016 and can be found at the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539232/a7-2016.pdf

In consultation 69% of respondents agreed or strongly agreed with the proposal, 19% did not know and 12% disagreed or strongly disagreed.



No data is held on the number of claimants who are currently absent from Great Britain for more than 4 weeks, but less than 52 weeks, since there is currently no effect on claims. No cases have come to light in respect of Housing Benefit since 28th July 2016 when this change was adopted into the HB regulations.

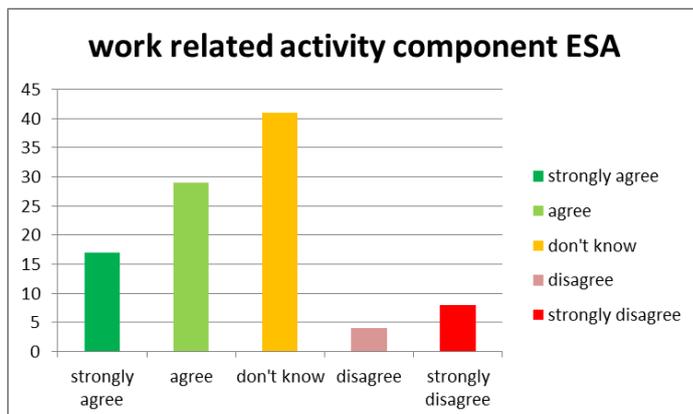
Proposal 4 Support for Work Related Activity

- To adjust the CTS calculation to reflect changes in Employment and Support Allowance (ESA)

From April 2017, all new applicants of (ESA) who fall within the Work Related Activity Group will no longer receive the work related activity component in either their ESA or within the calculation of Housing Benefit. It is proposed that the Council's Council Tax Support Scheme is amended to reflect the changes.

This is a cut in the DWP benefit, ESA. If the Council's CTS scheme is not amended, the calculation will still be made as though customers claiming ESA are receiving the work related activity component. Persons affected will not experience any reduction in Council Tax Support. However if this change is not made, in some cases where there is work related ESA and additional income, then entitlement to CTS, funded by the Council, would increase in order to compensate for the loss of the work related activity component.

In consultation 46% of respondents agreed or strongly agreed with the proposal, 41% did not know and 12% disagreed or strongly disagreed.



Proposal 5 Dependent Children

- To limit the number of dependent children within the calculation for CTS to a maximum of two.

N.B. This proposal will only be adopted if it is also included in the Housing Benefit regulations for 2017/18. This is currently expected to be the case but the Government has not yet passed the relevant legislation.

This will affect new claimants, or claimants who have a third child after 1st April 2017.

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within the calculation of their needs (Applicable Amounts). There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government will be limiting dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1st April 2017.

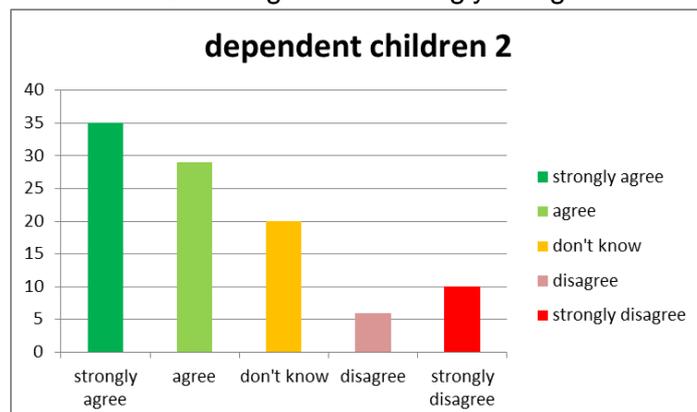
It is proposed that the Council's Council Tax Support Scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There will be exceptions where: there are multiple births after 1st April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children or where households merge.

Claimants who have a third or subsequent child after 1st April 2017 (and are not excepted from the rules) may receive less Council Tax Support than claimants who have more children born before 1st April 2017.

In the last year, 32 new dependent children have been born in households claiming CTS and where there were already at least two dependent children. No family will have a cut in CTS as a result of this measure, but after April 2017 CTS will not increase with the birth of a third child.

Those customers already in receipt of the full 80% CTS (typically those on passported benefits) would be unaffected, since they could not receive any more CTs in any event.

In consultation 64% of respondents agreed or strongly agreed with the proposal, 20% did not know and 16% disagreed or strongly disagreed.



Proposal 6. Severe Disability Premium

- To ignore severe disability premium when working out a customer's needs if another party is paid carers allowance through universal credit to meet those needs

Currently when another person is paid Carers Allowance to look after a Council Tax Support claimant, then the Severe Disability Premium is not included when working out their applicable amounts (needs). The underlying principle is this is effectively to pay for the same care twice.

This proposed change would align the scheme with Housing Benefit by treating persons who receive the Universal Credit (Carers Element) in the same way as anyone receiving Carers Allowance. This provision is not currently part of the CTS scheme.

Persons receiving Universal Credit (Carers Element) would be treated in the same way as those receiving Carers Allowance who look after any person who claims Council Tax Support.

In consultation 48% of respondents agreed or strongly agreed with the proposal, 32% did not know and 19% disagreed or strongly disagreed.

