

# **NON EXEMPT**

## **HAVANT BOROUGH COUNCIL**

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### **CABINET**

**18 November 2015**

### **Council Tax Support Scheme 2016/17 Report by Service Manager (Revenues & Benefits)**

#### **FOR DECISION**

**Portfolio: Governance & Logistics**

**Key Decision: No**

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#### **1.0 Purpose of Report**

1.1 To agree the Council Tax Support Scheme for 2016/17.

#### **2.0 Recommendation**

2.1 That Cabinet recommend to Council the following:

- 1) that the 2015/16 Council Tax Support Scheme is retained for 2016/17 but with the following amendments:
  - (i) the Allowances and Premiums used in determining entitlement for working age claims are changed as set out in paragraph 5.3 of this report
  - (ii) the Non-Dependant deductions used in determining entitlement for working age claims are changed as set out in paragraph 5.4 of this report.
- 2) that the necessary amendments are made to the Council Tax Support Scheme document and that it is then published in accordance with Local Government Finance Act 1992 Section 13A(2)

#### **3.0 Summary**

- 3.1 The localised Council Tax Support scheme was introduced by the Local Government Finance Act 2012 to replace the national Council Tax Benefit scheme from 1/4/13
- 3.2 The legislation imposes a duty on each Council to adopt a scheme by 31 January each year to apply for the forthcoming financial year
- 3.3 This report puts forward a recommended approach for 2016/17.

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### 4.0 HBC's current scheme

- 4.1 HBC's current scheme is based on the Department for Communities & Local Government (DCLG) default scheme (which mirrored the former council tax benefit scheme) but with a reduced maximum amount of support available for certain working age households.
- 4.2 The scheme requires a minimum payment of 8.5% of the council tax liability from all working age households apart from those in receipt of disability related incomes. For these households, the scheme therefore offers a slightly reduced level of support compared to the former council tax benefit scheme.
- 4.3 Scheme expenditure and caseload has reduced since 2013/14 mainly as a result of the improving economic situation;

#### Council tax support scheme caseload and expenditure

	Cases in payment on 31 March	Amount of benefit paid out	note
2012/13	11,118	£9,174,118	last year of council tax benefit
2013/14	10,569	£8,632,007	
2014/15	10,059	£8,207,832	
2015/16	10,002	£8,027,685	Actual to 31/08/15
2015/16 est.	9,980	£8,020,000	

### 5.0 2016/17 scheme

- 5.1 The estimated cost of retaining the current scheme for 2016/17 is £8,200,000. This estimate assumes that there is no significant increase in caseload during 2016/17 and that there is no increase in the council tax charged to residents. A 1% increase in council tax by all of the precepting authorities would increase the scheme cost by around £130,000 based on current caseload. The estimated cost of the scheme for 2016/17 also reflects as far as possible the potential impact of the planned welfare reform changes announced by the Chancellor in the summer budget although the currently available data is insufficient to enable a detailed forecast of the impact of this to be made.
- 5.2 Uprating – this is the process under which various elements (Personal Allowances, Premiums and Non-Dependant deductions) used in the calculation of entitlement under the scheme are altered to reflect inflation and changes to the level of pensions and other Benefits.
- 5.3 Personal Allowances and Premiums – the arrangements for pensioners within our scheme are prescribed by the DCLG and they will be advising Councils of the new figures that must be included in our scheme for 2016/17. However, for

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working age claims it is for the Council to decide. The Personal Allowances and Premiums in our current scheme match those that are used to calculate Housing Benefit for working age claimants. To retain this consistency with the Housing Benefit scheme, it is recommended that the Council adopts the same figures that the DWP will be specifying for the Housing Benefit scheme for 2016/17. The DWP will advise councils of these in due course. It is anticipated that the DWP will freeze most of the personal allowances and premiums for 2016/17.

- 5.4 Non-Dependant deductions – our current Council Tax Support scheme includes the same levels for non-dependant deductions for both pension age and working age claims. The DCLG will be prescribing the revised non dependant deduction levels for pension age claims and to retain consistency, it is recommended that the revised figures set by the DCLG for pension age claims for 2016/17 are also adopted for working age claims for 2016/17. The DCLG will advise councils of the amounts in due course

### **6.0 Implications**

#### **6.1 Resources:**

Assuming that the caseload remains fairly stable, the estimated cost of retaining the current scheme for 2016/17 is £8,200,000. Retaining the current scheme would require no increase in staffing or other administration costs

#### **6.2 Legal:**

The Council has a statutory duty to operate a Council Tax Support scheme. Any changes to the current scheme for 2016/17 must be adopted by full Council by 31/01/2016.

#### **6.3 Strategy:**

The Council Tax Support scheme provides financial assistance to those on low incomes. The proposed scheme retains comparable levels of support to those provided for in the 2015/16 scheme.

#### **6.4 Risks:**

A full Customer Impact Assessment of the proposed 2013/14 scheme was completed during 2012. The proposed scheme for 2016/17 differs only marginally from the 2013/14 scheme.

An increase in caseload would lead to an increase in the cost of the scheme. However, the trend over the last 18 months has been for caseload to decrease and this is expected to continue.

A 1% increase in council tax charged by all of the precepting authorities to residents would increase the annual cost of the scheme by around £130,000 based on current caseload.

It has not been possible to forecast the precise impact of the welfare reform initiatives announced by the Chancellor in the summer budget.

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### **6.5 Communications:**

Hampshire County Council will be advised of the proposed scheme for 2016/17 on behalf of the major precepting authorities. It is not anticipated that they will have any difficulties with the proposal. As the proposed scheme for 2016/17 retains comparable levels of support to those in the 2015/16 scheme, it is considered unnecessary to undertake any further public consultation.

### **6.6 For the Community:**

The Council Tax Support scheme provides financial assistance to those on low incomes. The proposed scheme for 2016/17 retains comparable levels of support to those provided for in the 2015/16 scheme and does not therefore impose a significant additional burden on council tax payers.

### **6.7 The Integrated Impact Assessment (IIA) has been completed and concluded the following:**

An Integrated Impact Assessment (IIA) of the 2013/14 scheme was completed in 2012.

### **8.0 Consultation** *(to advise who has been consulted)*

Portfolio Holder  
Finance  
Legal

Hampshire County Council will be made aware of the proposed scheme.

### **Appendices:**

None

### **Background Papers:**

None

### **Agreed and signed off by:**

Legal Services: 14/10/15

Executive Head of Governance & Logistics: 06/10/15

Relevant Executive Head: 06/10/15

Portfolio Holder: 22/10/15

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