

**NON EXEMPT**

## **HAVANT BOROUGH COUNCIL**

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**CABINET**

**24/10/2018**

### **Council Tax Support Scheme 2019/20 Report by Brian Wood – Head of Customer Services**

#### **FOR RECOMMENDATION TO COUNCIL**

**Portfolio: People and Communications  
Cllr Lulu Bowerman**

**Executive Director: Gill Kneller**

**Key Decision: No**

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

**1.1** To agree the Council Tax Support Scheme for 2019/20

#### **2.0 Recommendation**

**2.1** RECOMMENDED that Cabinet recommends to full Council that:

1) 2018/19 Council Tax Support Scheme is retained for 2019/20 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 Executive 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 2019/20

### **4.0 Additional Budgetary Implications**

- 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 because 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	9,788	£7,916,713	
2016/17	9,654	£8,013,050	
2017/18	9,298	£8,341,559	
2018/19	9,283	£8,520,863	Actual as at 30/06/18
2019/20	9,268	£8,686,984	Estimated cost for the year

## **5.0 2019/20 Scheme**

- 5.1 The estimated cost of retaining the current scheme for 2019/20 is £8,686,984

This estimate assumes that the current caseload pattern continues for the remainder of 2018/19 and through 2019/20. The estimate also takes account of the possibility that the relevant precepting authorities will levy the same increase in their Council Tax precept from 1 April 2019 as was levied in 1 April 2018.

- 5.2 Up-rating – 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 DWP and they will be advising Councils of the new figures that must be included in our scheme for 2019/20. However, for 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 2019/20. The DWP will advise councils of these in due course but it is expected that the DWP will continue to freeze the personal allowances and premiums for 2019/20.
- 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 DWP 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 DWP for pension age claims for 2019/20 are also adopted for working age claims for 2019/20. The DWP will advise councils of the amounts in due course

## **6.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s**

- 6.1 The approach recommended supports the Councils Financial sustainability priority but also ensures that the most vulnerable residents are equally supported

## **7.0 Options considered and reasons for the recommendation**

- 7.1 A full review was conducted in 2017 – a further review will be undertaken once a clearer picture of the impact of Universal Credit is understood

## **8.0 Resource Implications**

Considering the assumptions outlined in paragraphs 5.1 – 5.4, the estimated cost of retaining the current scheme for 2019/20 is £8,686,984. Retaining the current scheme would require no increase in staffing or other administration costs

### **8.1 Financial Implications**

The Council Tax Support Scheme provides financial assistance to those on low incomes. The proposed scheme for 2019/20 retains comparable levels of support to those provided for in the 2018/19 scheme and does not therefore impose any significant additional burden on Council Tax payers.

### **8.2 Human Resources Implications**

Not applicable

### **8.3 Other Resource Implication**

## **9.0 Legal Implications**

The Council has a statutory duty to operate a Council Tax Support Scheme. Any changes to the current scheme for 2019/20 must be adopted by full Council by 31/01/2019.

## **10 Risks**

A full Customer Impact Assessment of the proposed 2013/14 scheme was completed during 2012. The proposed scheme for 2019/20 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 but since April 2018 the reduction appears to have slowed. It is expected that the case load will now stay relatively stable.

## **11 Consultation**

Cllr Lulu Bowerman  
Revenues and Benefits Contract Manager (Client)  
Chief Financial Officer

Monitoring Officer and Lead Solicitor  
Head of Housing and Communities  
Hampshire County Council will be made aware of the proposed scheme

## **12 Communication**

Hampshire County Council will be advised of the proposed scheme for 2019/20 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 2019/20 retains comparable levels of support to those in the 2018/19 scheme, it is considered unnecessary to undertake any further public consultation.

### **Appendices:**

None

### **Background Papers:**

None

Agreed and signed off by:

Monitoring Officer: 1<sup>st</sup> October 2018

S151 Officer: 1<sup>st</sup> October 2018

Director: 2<sup>nd</sup> October 2018

Portfolio Holder: 1<sup>st</sup> October 2018

<b>Contact Officer:</b>	<b>Brian Wood</b>
<b>Job Title:</b>	<b>Head of Customer Services</b>
<b>Telephone:</b>	<b>01730 234150</b>
<b>E-Mail:</b>	<b>brian.wood@easthants.gov.uk</b>