

Council Tax Support Scheme Consultation Arrangements

1 Introduction

- 1.1 The purpose of this report is to seek Cabinet approval to undertake a public consultation in respect of the Council's Council Tax Support Scheme (CTSS) in order to inform any decision to review or amend the Scheme for the 2016/17 financial year.

2 Background

- 2.1 Since the 1st April 2013, local authorities have been required to develop their own CTSS to replace the previous national Council Tax Benefit Regulations, which had supported those in need to meet their Council Tax costs.
- 2.2 Whilst local authorities have the freedom to set their own local 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 arrangements.
- 2.3 Consequently, most local authorities now have hybrid schemes, whereby those 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 and a range of other local adjustments have been made.
- 2.4 In Rushmoor, we are currently in our third year of operating our local scheme, which seeks a minimum 8% contribution from those of working age, treats income from child maintenance or child benefit as real income within the scheme calculations, disregards all income from War Widow Pensions but in all other respects, mirrors the previous Council Tax Benefit Regulations.
- 2.5 This local scheme has proved effective, has been implemented successfully and the Council Tax collection rates have remained stable whilst scheme costs have reduced.
- 2.6 The overall scheme design and effectiveness continues to be overseen by the cross Member Welfare Reform Task and Finish Group.

3 Need to Consider Scheme Change

- 3.1 In the 8th July 2015, budget announcement, the Chancellor set out further plans to extend the government's Welfare Reform programme. A number of the proposals set out (mainly for implementation from 1st April 2016) potentially impact upon those residents receiving support under our CTSS

and potentially challenge some of the principles on which our current CTSS is based.

- 3.2 Since the establishment of our CTSS, we have largely mirrored in our scheme changes in the wider welfare arena around the technical calculations and the basis of annual uprating. In the Chancellor's proposals in July, he set out a number of plans to freeze annual uprating for some welfare and change the basis of some of the technical calculations in other welfares, as well as some more radical plans to fundamentally reshape the Tax Credit arrangements alongside a gradual introduction of a more generous national living wage.
- 3.3 The impact of the changes set out in 3.2 is potentially significant for residents at an individual level as well as the Council at a financial level. If the Council were to take no steps to reconsider its CTSS arrangements, the likely impact of the broader changes in the Welfare Reform programme is that our local costs of CTSS would go up. If the Council wishes to reconsider its CTSS in light of the broader welfare changes proposed, there needs to be some public consultation around options, which are transparent and seen as underpinning any subsequent choices made.

4 Timescale

- 4.1 Time is relatively tight to undertake a consultation exercise, analyse the outcome and make new scheme recommendations, should that be necessary, however, this can be achieved within the current budget cycle if we were to start a public consultation in November.

5 Recommendation

- 5.1 The Cabinet are requested to:
- a) Agree that a public consultation be undertaken on options around the Council's Council Tax Support Scheme.
 - b) Endorse that the detail of the consultation paper be finally agreed by the Corporate Director in consultation with the Portfolio Holder for Concessions and Community Support and following discussion with the Welfare Reform Task and Finish Group.
 - c) Note that a report back on the outcome of the consultation and any subsequent proposals will come back during January 2016.

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