

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 7

meeting date: 20 NOVEMBER 2018
title: LOCAL COUNCIL TAX SUPPORT SCHEME 2019/20
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To seek approval for our Local Council Tax Support (LCTS) scheme for 2019/20.

2 BACKGROUND AND INFORMATION

2.1 You will recall that, as part of the package of welfare reform measures, the Government decided to abolish Council Tax Benefit from 1 April 2013 and replace it with locally determined schemes of council tax support. In doing so the Government reduced the funding available, to local councils to pay for this support, from 100% subsidy to a grant of only 90%. This grant was rolled into mainstream local authority funding which has since been reduced significantly

2.2 The Council agreed a Local Council Tax Support Scheme which came into effect on 1 April 2013. Our scheme matched the previous Council Tax Benefit scheme but was set to cap the maximum reduction in support for working age claimants to 12% each year. Late in the day the Government announced a one off transition grant for those authorities who agreed to set the maximum reduction at 8.5%. This Council agreed to accept the grant and hence limit the reduction to 8.5% for 2013/14. As the transition grant was for one year only however our reduction in support to working age claimants reverted back to the agreed percentage set of 12%. We consulted extensively on this scheme and it was broadly supported.

2.3 Our scheme is 147 pages long and can be found at the following link www.ribblevalley.gov.uk/counciltaxsupport

2.4 The Local Government Finance Bill imposes a duty on billing authorities to consider whether to revise or replace its scheme by **11 March (changed from 31 January in 2018) each year** and to consult with major precepting authorities i.e. LCC/Fire and Police authorities and other persons likely to have an interest in the scheme if any significant changes are proposed.

3 OUR SCHEME

3.1 The first bills containing Local Council Tax Support were issued in March 2013.

3.2 Our scheme has been updated by minor amendments each year to maintain the link with Housing Benefit and the previous Council Tax Benefit scheme.

3.3 We currently grant approximately £1.8 million in LCTS to 2,057 claimants, 1,081 who are pensioners and 976 who are working age.

3.4 Our experiences so far have shown that this debt is much harder to collect than other Council Tax liability and we have seen a significant increase in the number of reminders issued and subsequently the number of Council Tax payers that we have had to take recovery action against. However given the sensible approach that was decided by this committee to limit the reduction to reasonable levels I am confident that we will be able to continue to collect the sums due at almost the same rates as other Council Tax.

4 REVISING OUR SCHEME FOR 2019/20

- 4.1 Members need to make a final decision on our scheme for 2019/20 in order to make a recommendation to Full Council.
- 4.2 We are not proposing any significant changes other than Maintaining and Uprating Income disregards, non-dependent deductions, applicable amounts and premiums in line with Housing Benefit as we do each year.

5 RECOMMEND THAT COMMITTEE

- 5.1 Recommend to Full Council the approval of our local council tax support scheme for 2019/20 as set out in the report.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF64-18/ME/AC
7 November 2018

For further background information please ask for Mark Edmondson