

Report to the Council

Committee: Cabinet

Date: 1 December 2016

Subject: Local Council Tax Support Scheme 2017/18

Portfolio Holder: Councillor G Mohindra

Recommending:

(1) That the revised Local Council Tax Support Scheme 2017/18 be approved.

1. As part of the major changes to the Welfare Benefits system, from 31 March 2013 Council Tax Benefit ended and was replaced by a new scheme called Local Council Tax Support (LCTS). A key principle of the scheme is the protection of people who are of an age where they can claim Pension Credit. The Government introduced Regulations to ensure that pensioners who previously received Council Tax Benefit have continued to receive the same level of assistance they had prior to LCTS being introduced.

2. The Pan Essex LCTS project group, comprising all the billing authorities and the unitary authorities in Essex, was created in January 2012 to devise a modular approach upon which all Essex authorities could base their local schemes according to local needs. The precepting authorities of Essex County Council, Essex Fire Authority and Essex Police have been involved from the beginning of the project. The project is managed by the Benefit Managers under guidance from the Essex Finance Officers Association.

3. The Council approved the Epping Forest LCTS scheme for 2013/14 in December 2012, and for the first 3 years, the scheme remained unchanged. In December 2015, the Council approved 2 amendments to the scheme for 2016/17, the first being that the maximum discount percentage was reduced from 80% to 75%, and the second being a change to the calculation of self-employed income to align it with Universal Credit.

4. On 21 July 2016, the Cabinet approved the general principle that the Local Council Tax Support scheme for 2017/18 should aim to be cost neutral for the Council and that public consultation should be undertaken on the following four elements of the scheme for working age people to align the scheme with other Welfare Reform changes that have either already been implemented, or are due to be implemented by April 2017:

- (a) to remove the family premium in the calculation for new claimants – the family premium had already been removed from all new claims for Housing Benefit and would also be removed from all new claims for Local Council Tax Support for people of a pension age;

(b) to withdraw Local Council Tax Support where a person leaves Great Britain for 4 weeks or more – currently claimants could be absent abroad for up to 13 weeks, but this reduction had already been applied to other state benefits from July 2016, and there would be exemptions for certain occupations as well as absences due to death or medical treatments;

(c) to limit the number of dependent additions to a maximum of two for all cases where dependents were born on or after 1 April 2017 – this would bring Local Council Tax Support in line with other benefits as this limit would also apply to Universal Credit, Housing Benefit and Tax Credits from April 2017;

(d) to reduce the period allowed for backdating to one month – this would bring Local Council Tax Support in line with the Housing Benefit scheme where this was introduced from April 2016.

5. Consultation on the 2017/18 scheme was undertaken from 15 August 2016 to 15 October 2016. A total of 58 responses were received which, while disappointing, was similar to previous years. The consultation questions and the responses received were listed in Appendices 1 and 2 of the report considered by the Cabinet on 1 December 2016 (agenda item 10, report C-040-2016/17 refers). The response to the consultation was not extensive but the few that did make comments were not in favour of reducing the backdating period. Taking this into account, it was decided after due consideration not to reduce the maximum backdating period from three months to one month.

6. For the last four years, there had been a small hardship fund to assist households which had been experiencing exceptional hardship; it was anticipated that the current year's budget for this fund would be adequate. In previous years, contributions to this fund had been made by Essex County Council, Essex Fire & Rescue Service, and Essex Police, and all three organisations had agreed to continue those contributions for 2017/18.

7. Following the end of the consultation period, Members had to now approve the Local Council Tax Support Scheme for 2017/18 and decide whether the scheme should remain in its current form or whether any or all of the proposed amendments should be applied. The proposed revised Scheme has been published as a background paper for this meeting.

8. We recommend as set out at the commencement of this report.