

## ***Report to the Council***

**Committee:** Cabinet

**Date:** 21 February 2019

**Subject:** Local Council Tax Support Scheme 2019/20

**Portfolio Holder:** Councillor H Kane (Customer Services)

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### **Recommending:**

**That the Cabinet noted the responses to the consultation on the scheme for 2019/20 and recommend to Council that the scheme for 2018/19 continues unchanged for 2019/20.**

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1. The Local Council Tax Support Scheme (LCTS) replaced Council Tax Benefit in 2013. Each local authority must review its scheme annually. The Government brought in regulations to ensure that pensioners continue to receive the same level of assistance as they would have done if the Council Tax Benefit scheme was still in place. The Council can therefore only make amendments to the scheme for people of working age. The Council has approved the general principle that the Local Council Tax Support scheme should be cost neutral. In legislative terms the scheme needs to be approved by 11<sup>th</sup> March each year so for 2019/20 approval needs to be made at Full Council on 21<sup>st</sup> February 2019.

2. A consultation exercise was undertaken between 30<sup>th</sup> October 2018 and 21<sup>st</sup> December 2018 based on there being no changes to the 2018/19 scheme for 2019/20. Whilst there was no legal duty to consult, as no changes were proposed, Members decided in its Cabinet meeting to undertake a shortened and focused consultation exercise.

3. Currently, the total expenditure on LCTS is £6,033,775, which is made up of £3,440,172 for elderly recipients and £2,593,603 for working age recipients. This is £33,000 up on last year's expenditure with a decrease of £23,277 for elderly recipients and an increase of £56,000 for working age claimants. The total number of recipients off LCTS is 6,231 comprising 3,174 elderly recipients and 3,057 working age. This compares with a total number of claimants at 31<sup>st</sup> March 2018 of 6,438. There has been a reduction therefore of around 200 claimants. This may look contradictory in terms of an increase in expenditure on the scheme but the average increase in Council Tax of 4.6% in 2018/19 needs to be factored in. However, the overall expenditure on the scheme will continue to be monitored over the year as the principle is that it is self-funding. This will form part of the review for the 2020/21 scheme.

4. Although the response to the consultation was disappointing it is argued that it shows no great desire for the scheme to be changed for 2019/20. The results of the consultation show that 211 people viewed it but that only 26 went on to attempt it. Further, only 6 people expressed an opinion that the scheme should be changed. The conclusion is that the proposal to keep the scheme unchanged for 2019/20 is sound and should be recommended to Council for approval.

### Conclusion

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