



REPORT FROM: DIRECTOR OF FINANCE
TO: COUNCIL
ON: 30th January 2014

SUBJECT: Local Council Tax Support Scheme 2014/15

1. PURPOSE

The purpose of this report is to seek approval for the adoption of the Local Council Tax Support Scheme for 2014/15.

2. RECOMMENDATIONS

- a) That the contents of the report are noted;
- b) That the localised Council Tax Scheme detailed in Appendix A be approved and implemented from 1st April 2014.
- c) That the Exceptional Hardship Policy detailed in Appendix B be approved and implemented from 1st April 2014.
- d) That the subsequent alteration to the Council Tax Support Scheme that is required following legislative changes to National Welfare Schemes be delegated to the Director of Finance in consultation with the Executive Member for Resources.

3. BACKGROUND

The Welfare Reform Act 2012 contained provisions which abolished Council Tax Benefit and recommended localised schemes to be administered by Local Authorities throughout England with effect from 1/4/13.

As a consequence of the legislation, it was agreed at full Council on 31st January 2013 that the localised scheme adopted by Blackburn with Darwen BC would be means tested in the same way as Council Tax Benefit, however, awards would be 20% less for working age claimants than the previous national scheme.

Billing Authorities are obliged to consider the local scheme each financial year and formally agree the provision. Any substantive change to the current scheme would also require consultation with major preceptors and members of the public.

4. RATIONALE

In preparation of the budget for 2014/15 the Council is obliged to formally continue the scheme already agreed or make any adjustments prior to 1st April 2014. This report seeks to fulfil the necessary legal requirements and confirm Blackburn with Darwen BC's Council Tax Support scheme for 2014/15.

5. COUNCIL TAX SUPPORT KEY ISSUES

5.1 Financial

After reviewing the current levels of expenditure and recent trends in Council Tax Support claimants, it is estimated that the current scheme and the accompanying central government funding will provide sufficient financial certainty for the 2014/15 financial year.

An additional year of administering the current scheme will provide further data regarding the collection rate on the accounts affected, and improve the forecasting of Council Tax income to the Council.

5.2 Customer impact

The introduction of the Council Tax Support scheme in April 2013 was accompanied by an extensive promotion and advertising campaign which included mail shots to all recipients, road shows and engagement with voluntary organisations. Maintaining the current scheme into the 2014/15 financial year and not making any substantive changes will reduce the necessity for any further campaign, and in turn, minimise any customer confusion on this issue.

6. POLICY IMPLICATIONS

By maintaining the Local Council Tax Support scheme from 2013/14 there will be no policy changes to consider. The full scheme was documented in Appendix A of the 'Localised Council Tax Support Scheme and changes to empty property and second home discounts' (31st January 2013).

The full scheme details are also detailed in Appendix A.

7. FINANCIAL IMPLICATIONS

The localisation of Council Tax Support does result in an increased financial risk to the Council as any increase in the number of claimants or amount of Council Tax Support awarded will be met solely by the Collection Fund. Maintaining the scheme over two financial years will provide more certainty in respect of the financial forecasting.

To mitigate the impact of the localised Council Tax Support Scheme on vulnerable recipients, it is proposed that the Exceptional Hardship Scheme is continued for claimants experiencing exceptional hardship. The Exceptional hardship scheme will continue to be a cash limited amount of £36,000

8. LEGAL IMPLICATIONS

As the Localised Support Scheme remains the same for 2014/15, the only legal requirement is that the scheme must be agreed by full Council prior to 31st March 2014.

9. RESOURCE IMPLICATIONS

None.

10. EQUALITY IMPLICATIONS

In preparing for the transfer of council tax benefit to local authorities, the DCLG completed an initial Equality Impact Assessment in January 2012, and an Updated Impact Assessment in June 2012. In addition, Blackburn with Darwen Borough Council prepared an high level Equality Impact Assessment. The scheme will remain the same in 2014/15, therefore a new Equality Impact Assessment is not required.

11. CONSULTATIONS

The Council, as a billing authority, was required to enter into public consultation to develop and adopt a localised Council Tax Support scheme for implementation across Blackburn with Darwen from 1st April 2013. This scheme will remain the same in 2014/15.

CONTACT OFFICERS:

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Andy Ormerod, Head of Revenues, Benefits and Customer Services

DATE: 30th January 2014

BACKGROUND PAPERS:

Appendix A Council Tax Support Scheme

Appendix B Exceptional Hardship Scheme Policy

Appendix C Council Tax Support Scheme Equalities Impact Assessment