



REPORT OF:	EXECUTIVE MEMBER FOR RESOURCES
TO:	POLICY COUNCIL
ON:	6th DECEMBER 2018

Council Tax Support Scheme 2019/20

1. PURPOSE OF THE REPORT

To agree the Council Tax Support Scheme for 2019/20.

2. EXECUTIVE SUMMARY

Since the requirement to introduce a localised Council Tax Support scheme in 2013, the Council has maintained a scheme that has been broadly in line with the previous national Council Tax Benefit scheme rules and Housing Benefit legislation.

A wide ranging review of the scheme in recent months has recommended that a number of changes should be introduced. The proposals are based on a number of key considerations, which include;

- alignment of the scheme with Universal Credit, which in turn will mitigate the increase in the volume of changes in financial circumstances and subsequent reissue of council tax bills;
- simplification of the scheme, and;
- to reduce the overall level of Council Tax Support awards to working age claimants which will, as a consequence, result in a potential budgetary saving to the Council.

3. RECOMMENDATIONS

Policy Council is invited to:

- Note the contents of the report, and;
- Approve the Council Tax Support Scheme for the financial year 2019/20.

4. BACKGROUND

The Welfare Reform Act contained provisions which abolished the national Council Tax Benefit scheme and recommended localised schemes to be administered by Local Authorities throughout England with effect from 1st April 2013.

As a consequence of the legislation, the Council is obliged to formally continue the scheme already agreed, or to make any adjustments prior to 31st March 2019. This report seeks to fulfil the necessary legal requirements and to present Blackburn with Darwen's Council Tax Support scheme for 2019/20.

5. KEY ISSUES & RISKS

5.1 Proposed Changes

It is proposed that the current Council Tax Support scheme is amended for 2019/20 as follows:

- i. The introduction of a tolerance range whereby small changes to a Council Tax Support claim (+ or - £2 per week) will not result in a recalculation of a claim, thus negating the need to recalculate Council Tax bills.

All adjustments will however be taken into account prior to the recalculation of the following year's entitlement to Council Tax Support;

- ii. The introduction of a minimum income level for Council Tax Support claimants who are self-employed. The level will be set in line with Universal Credit rules which calculate the minimum earnings at 35 hours per week, which are then multiplied by the National Living Wage or National Minimum Wage, whichever is applicable.

Appropriate adjustments will be made for self-employed claimants who have carer responsibilities, or a disability, that would prevent the person working 35 hours;

- iii. The introduction of a £5 deduction for each non-dependent living with claimants of Council Tax Support;
- iv. The introduction of a cap for the calculation of Council Tax Support which limits the award to a Band B Council Tax liability;
- v. The abolition of the second adult rebate;
- vi. The reduction in time that a person can be temporarily absent from the country and still receive Council Tax Support (reduced from 13 weeks to 4 weeks).

This change will bring the Council Tax Support scheme in line with all other welfare Benefits; and,

- vii. The provision of a Discretionary Support Scheme to mitigate the changes on the most vulnerable in the borough.

5.2 Customer engagement

In order to notify all claimants who will be affected by the changes, it is proposed that those impacted by the changes detailed in points i-vi above, will receive a direct mailing; remaining claimants will be communicated with via the Council website and the Shuttle.

6. POLICY IMPLICATIONS

The Council is obliged to produce a Council Tax Support scheme for 2019/20 prior to the 31st March 2019. The full scheme has been provided and is documented in **Appendix A**.

7. FINANCIAL IMPLICATIONS

The Council Tax Support Scheme presents a financial risk to the Council as any increase in the number of claimants, or in the amount of Council Tax Support awarded, increases costs and therefore impacts on the resources available to the Council.

In addition, whilst the changes listed above for 2019/20 will reduce the amount of Council Tax Support awarded, and therefore increase the collectable Council Tax debit, there may be a decrease in overall collection rates should individuals have difficulty in paying their Council Tax, which would thereby reduce resources available.

As noted in 4.1 (vii) above, the Council will utilise a Discretionary Support Scheme to mitigate the changes on the most vulnerable in the borough; this will be funded from the reduction in the cost of the Council Tax Support scheme arising from the implementation of 4.1(ii) to 4.1(vi) above.

8. LEGAL IMPLICATIONS

The Council Tax Support Scheme must be agreed by Full Council each year prior to the 31st March 2019. Failure to do so will result in the 'default scheme' being imposed on the authority.

9. RESOURCE IMPLICATIONS

The review of Council Tax Support, and the documentation to support the new scheme, has been undertaken from within existing Council resources, however there has been a small amount of consultancy support from Northgate and the Welfare Reform Club.

Whilst the changes listed above will increase the collectable debit, it is expected that some of this additional debit may be difficult to collect and could result in an increase in customer contact in pursuing recovery. Additional resources may be required to support the service following these changes and if so, they will be funded from the reduction in the cost of the Council Tax Support scheme arising from the implementation of the changes detailed in 4.1(ii) to 4.1(vi) above.

10. EQUALITY IMPLICATIONS

In determining this matter a Full EIA has been completed, this is attached as **Appendix C**.

11. CONSULTATIONS

The Council, as a billing authority, is required to enter into public consultation with Council Tax Support claimants and residents of the borough, and also with all major Precepting Authorities, following significant changes to the Council Tax Support scheme.

A full consultation exercise was commenced on the 3rd September 2018 and ended on 22nd October 2018.

The responses were formally reviewed on the 7th November 2018.

A full report detailing the consultation responses is documented in **Appendix B**.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted, and a note of any dispensation granted by the Chief Executive, will be recorded and published if applicable.

Contact Officer: Andy Ormerod (Head of Revenues, Benefits and Customer Services)

Date: 6th December 2018

APPENDICES:

Appendix A – Council Tax Support Scheme 2019/20

Appendix B – Consultation Findings report

Appendix C – Equalities Impact Assessment