

REPORT TO: Scrutiny and Overview Committee

22 November 2018

LEAD OFFICER: Executive Director

Localised Council Tax Support (LCTS) Scheme 2019-20

Purpose

1. To consider the recommended LCTS Scheme for 2019-2019 and make comments on scheme prior to consideration by cabinet
2. This is not a key decision as the financial commitments are within existing budget.

Recommendations

3. That Scrutiny and Overview Committee considers the responses to the consultation and the recommendation to introduce a Banded Discount LCTS scheme for 2019-2020.

Reasons for Recommendations

4. The consultation responses have been collated and the current scheme for LCTS is considered unviable for 2019-20. The reason for this is contained below.

Background

5. A report was presented to Cabinet on 5 September 2018 with regard several options for LCTS for 2019-2020 that should be consulted and decision was taken to consult on the two options presented.
6. The legislation is such that any changes to LCTS must be consulted on with those who are affected. This consultation concluded on the 11 November 2018.
7. The option supported by members initially was a banded discount scheme as this was a longer-term option and a further change to the design of the scheme would not be needed.
8. The LCTS scheme for 2019-2020 will ensure that residents who are currently claiming will be not financially worse off with any new scheme. This principle has been factored into the financial implications.

Considerations

9. The consultation lasted 6 weeks, ending on the 11 November 2018 with 379 responses received; this is significantly more than previous LCTS consultations where responses have on each occasion been less than 100. The results can be found in **Appendix A**.

10. Whilst the responses signalled a preference for option1, there are identified significant risks with this option as rollout to Universal Credit continues.
- Residents- Multiple Council Tax Bill leading to confusion as to what to pay and result residents do not pay, and this results in recovery action to collect Council Tax
 - Contact Centre- Increased contact from claimants as unsure as to payable amounts and as a result of reminders for unpaid council tax. This could result in a requirement for increased staffing resources.
 - Revenues and Benefits Back Office Team – Increased contact from council tax payers who haven't paid, and recovery action is undertaken.
 - Financial- Reduction in Council Tax collection rates and the total amount of council tax collected on behalf of all preceptors.

Considering the above, the current scheme is unviable on an ongoing basis despite the support from residents.

11. From the remaining option offered no alternative scheme was suggested and responses in favour of a banded scheme were more than double those in favour of a fixed period scheme. Appendix B (Cabinet report 5 September 2018) provides the considerations and background for needing to change from the current scheme.

Implications

Financial

12. The cost of LCTS for both schemes an assumed figure has been agreed to enable the Council Tax base to be set by the 31 December 2018, following initial consultations with the Parish Councils.
13. The cost of LCTS cannot be guaranteed; a cost assumption that allowing for those claiming LCTS not to be worse considering that the main principles of the scheme will remain, and the changes relate the main more administration aspects.

Legal

14. The Scheme must be agreed by Council before the end February 2019; residents must be consulted about any proposed changes to the LCTS scheme

Staffing

15. The cost of LCTS is shared between the major preceptors but this excludes the staffing cost of administration; any increases to staffing cost would therefore be a cost to the Council.

Risk Management

16. A significant economic downturn could result in an increase in demand for Council Tax Support the cost of which would be borne by all the major preceptors and the cost of which would be borne by all the major preceptors and in excess of budget framework.

Consultation responses

17. A large-scale consultation exercise has been undertaken;
 - All working age current claimants of council tax support have been written to
 - Council tax preceptors have been contacted
 - All South Cambridgeshire Residents by use of the Council's Website and also Social Media to alert residents to the consultation
 - Landlords
18. The benefits team has obtained some additional telephone responses to the survey and those residents have had been able to complete the survey with more knowledge as to the reasons for us proposing changes to LCTS scheme
19. **Appendix A** provides details of consultation responses.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

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