

Gloucester City Council

Meeting:	Cabinet Council	Date:	13 January 2016 28 January 2016
Subject:	Local Council Tax Support Scheme		
Report Of:	Cabinet Member for Performance and Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek approval to retain the current Local Council Tax Support Scheme (LCTS) for 2016/17.

2.0 Recommendations

- 2.1 **Cabinet** is asked to **RECOMMEND** that the current Local Council Tax Support Scheme as the approved scheme for Gloucester City Council for 2016/17 be adopted.
- 2.2 **Council** is asked to **RESOLVE** that the current Local Council Tax Support Scheme as the approved scheme for Gloucester City Council for 2016/17 be adopted.

3.0 Background

- 3.1 The Welfare Reform Act 2012 abolished Council Tax Benefit. Under the Local Government Finance Act 2012 local authorities were required to develop a Local Council Tax Support Scheme (LCTS) which also provides protection for pensioners. This localisation required a reduction in support to local government of 10%.
- 3.2 Following a countywide consultation all of the Gloucestershire districts adopted the default scheme for 2013/14 and 2014/15. For the current financial year 2015/16 all of the districts bar one continued to adopt this scheme, the exception being Cotswold District Council
- 3.3 Members will be aware that the current LCTS was adopted and approved at the meeting of full Council of 29 November 2012.

- 3.4 The Council is faced with having to make difficult financial decisions, with the level of support given to those currently in receipt of council tax support being one of these challenges. Members may be aware that Housing Benefit legislation has been changed and passed by Parliament for the removal of the family premium for new housing benefit claims. The option to remove this premium from the LCTS has also been explored, however it is felt this would further affect those most in need of this support. Any change to the scheme may hit those most requiring support and may have an adverse effect on collection rates.
- 3.5 Government funding for LCTS although not specifically identified is linked through Revenue Support Grant received by the Council and as this reduces the funding attributable to the scheme falls proportionately. On a positive note a review of the number of claimants has highlighted a reduction as follows:

<u>Year</u>	<u>Number</u>
2013/14	10,679
2014/15	10,177
2015/16	9,866

This reduction in number of claimants has led to a reduction in expenditure that offsets a proportion of the reduced grant income.

- 3.6 Based upon this reduction in the number of claimants it is felt that the current scheme will still deliver to offset the level of reduced funding, whilst not placing further burden on those in receipt of LCTS.
- 3.7 As the billing authority, we must consult with our major preceptors, the Police & Crime Commissioner and Gloucestershire County Council on our proposed scheme.
- 3.8 We have made them aware that the intention is for the scheme to remain unchanged in 2016/17 and they understand and support our position however they have concerns about the future cost of the scheme and future funding available.

4.0 ABCD Implications

- 4.1 There are no anticipated ABCD implications from this report

5.0 Financial Implications

- 5.1 The financial implications are contained in the body of the report.

6.0 Legal Implications

- 6.1 The Local Government Finance Act 2012 abolished Council Tax Benefit and instead required each authority to design a scheme specifying the reductions which are to apply to amounts of Council tax. The prescribed regulations set out the matters that must be included in such a scheme.

6.2 Pensioners (those over state pension age) are protected from any changes, but otherwise the Council has discretion to decide how it wishes to design its scheme to cover any shortfall, in accordance with the prescribed requirements

7.0 Risk & Opportunity Management Implications

7.1 Potential risks as a result of this report are potential income shortfall.

8.0 People Impact Assessment (PIA):

8.1 A PIA screening assessment has been undertaken and the impact is neutral. A full PIA is not required.

9.0 Other Corporate Implications

Community Safety

9.1 None

Sustainability

9.2 None

Staffing & Trade Union

9.3 None

Background Documents: None