

Gloucester City Council

Meeting:	Cabinet Council	Date:	9 January 2019 24 January 2019
Subject:	Local Council Tax Support Scheme 2019/20		
Report Of:	Cabinet Member for Performance & Resources		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	No
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Appendices:	1. Gloucester City Council Local Council Tax Support Scheme for 2019/20		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek approval to retain the Local Council Tax Support Scheme (LCTS) for 2019/20.

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 in 2018/19 be adopted for 2019/20.
- 2.2 **Council** is asked to **RESOLVE** that the current Local Council Tax Support scheme as the approved scheme for Gloucester City Council in 2018/19 be adopted for 2019/20.

3.0 Background

Members will be aware that the current LCTS scheme was adopted and approved at the meeting of full Council of 25th January 2018.

- 3.1 Council Tax charges are the means by which local residents make a contribution towards the cost of local services.
Prior to April 2013 Council Tax Benefit was administered under a national scheme set by Central Government which allowed eligible local residents to claim up to 100% reduction from their Council Tax bill – subject to legislative and means tested income requirements. The Council were able to receive full funding from the Government to cover all of the Council Tax Benefit awards made.
- 3.2 From April 2013 Council Tax Benefit was abolished and replaced with a Local Council Tax Reduction scheme. Any person who is liable to pay Council Tax can

apply for a reduction in their Council Tax under the Local Council Tax Reduction scheme. The scheme is not legislated by Central Government, rather each local authority now has its own scheme. Central Government no longer fully funds this locally administered award, as there was an expectation that Local Authorities would amend their local schemes to fund the shortfall

- 3.3 Our neighbouring districts plans have been considered whilst drafting this report, some are reshaping their schemes for 2019-20, whilst others are retaining their old schemes
- 3.4 Gloucester City Council intends to retain its existing scheme for the 2019/20 financial year
- 3.4 **Pension Age Customers** - It is important to note that those customers who are of a pension age are **NOT** affected as Council Tax support for pensioners was never localised and remains under the jurisdiction of a national scheme
- 3.5 **War pensions income:** To note, we will continue to disregard £10 of the War disablement pensions and war widows pensions and in addition will disregard the remainder of the War disablement element of a war pension and the war widows element of a war widows pension, when assessing a reduction under the local Council Tax Support scheme.

4.0 Financial Implications

- 4.1 The financial implications are contained in the body of the report – Appendix 1.

5.0 Legal Implications

- 5.1 The Welfare Reform 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 Local Council Tax Support 'LCTS' scheme is required under Section 13A of the Local Government Finance Act 1992 ("the Act") (updated by the Local Government Finance Act 2012). The Act states that for each financial year, councils must consider whether to revise their LCTS scheme or replace it with another scheme.

The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, under Section 40 of the Act, the Council must, in the following order:

1. Consult with any major precepting authorities
2. Publish the draft scheme
3. Consult other parties likely to have an interest in the scheme

- 5.2 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.

5.3 The deadline for making decisions is now 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect (under Para 5, Schedule 1A of the Act). If the Council does not make/revise a LCTS scheme by 11 March 2019, a default scheme will be imposed on the Council which will be effective from April 2019.

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6.0 Reasons for Recommendations

6.1 Having a local Council Tax Support Scheme is a statutory function.

7.0 Alternative Options Considered

7.1 None

8.0 Risk & Opportunity Management Implications

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

9.0 People Impact Assessment (PIA):

9.1 A PIA screening assessment has been undertaken and the assessment is neutral. There is no evidence to suggest that continuing with that scheme will unfairly affect any particular group of persons. A full PIA is not required

10.0 Other Corporate Implications

Community Safety

10.1 None

Sustainability

10.2 None

Staffing & Trade Union

10.3 None

Background Documents: None