

Extract from the minutes of the Cabinet meeting on 30 November 2016

119. Local Council Tax Support 2017/18

The Head of Customer Services submitted a report a copy of which had been circulated to each Member together with minute 93 of the Scrutiny Panel meeting of 8 November 2016.

Councillor Cory, Portfolio Holder for Resources, highlighted that the new scheme introduced changes to amend backdating to one calendar month and to reduce the period a person could be absent from the country and still receive Local Council Tax Support to four weeks. It remained one of the most generous schemes in Essex and provided valuable support to vulnerable residents.

RESOLVED that the proposals set out in the Head of Customer Services' report in respect of the Local Council Tax Support Scheme for 2017-18 be agreed.

RECOMMENDED TO COUNCIL that the Local Council Tax Support Scheme 2017-18 be approved and adopted.

REASONS

Colchester Borough Council implemented a Local Council Tax Support scheme from 1 April 2013.

Legislation requires that following public consultation, amendments to the scheme for 2017/18 need to be agreed by Full Council before 31 January 2017.

It is recommended to bring the scheme in line with national legislative amendments and to propose the following changes:

Amend backdating to one calendar month
Reducing the period for which a person can be absent from Great Britain and still receive Local Council Tax Support from 1 April 2017.

All other fundamental features of the scheme, other than those described under paragraph 2.3 of the Head of Customer Services report are proposed to remain unaltered.

ALTERNATIVE OPTIONS

Removal of the family premium for new working age Local Council Tax Support awards from 1 April 2017.

Consultation proposals included an option to remove the family premium for new working age Local Council Tax Support awards from 1 April 2017.

Applicants to Local Council Tax Support have a maximum amount of weekly income they can receive before their income starts to affect their level of entitlement. This figure is called the applicable amount.

Where one member of a family is a child or young person a Family Premium can be awarded adding £17.45 to the applicant's weekly applicable amount. The Government has removed the family premium for new claims for Housing Benefit from May 2016. This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance. Modelling indicates this would reduce total scheme provision by £137,380.

The removal of the family premium would reduce the applicable amount for new applicants with dependent children yet will provide consistency with the Housing Benefit scheme.

The option of removing the family premium for new working age Local Council Tax Support awards from 1 April 2017 received support in consultation. However this would not be recommended, taking into account the following considerations:

Maintaining the current assessment basis for families would provide further stability for this resident basis in terms of wider welfare adjustments

The removal of the family premium would have a disproportionate effect on families on a low income.

Respondents were also asked to provide wider comment on alternative options for scheme funding including increasing the level of Council Tax, accrue savings from reducing other Council Services or using Council's reserves.

The alternative options did not receive support through consultation.

If Colchester Borough Council keeps the current scheme, it will be administratively more complex as it will not align with Housing Benefit which is also administered by the Colchester Borough Council and this will have a cost implication.