

POLICY REVIEW AND DEVELOPMENT PANEL

6 AUGUST 2012

Present :- Councillor Julie Young (Chairman)
Councillors Mark Cable, Nigel Chapman, Barrie Cook,
Mark Cory and Jo Hayes

Substitute Member :- Councillor John Elliott for Councillor Margaret Fairley-
Crowe

5. Minutes

The minutes of the meeting of the Panel held on 18 June 2012 were confirmed as a correct record, subject to the deletion of the words 'with Councillor Derrick Louis, the Essex County Council Cabinet Member for Highways and Transportation' in the seventh paragraph of minute no 4.

6. Localised Council Tax Support 2013/14

Councillor Julie Young (in respect of being a member of the Board of Essex Fire Authority) declared a non-pecuniary interest in this item pursuant to the provisions of Meetings General Procedure Rule 7(5).

The Panel considered a report by the Head of Resource Management giving details of proposals for a new policy to create a Localised Council Tax Support Scheme.

Ian Blofield, Colchester Borough Council, Interim Head of Resource Management and John Fisher, Colchester Borough Council Revenues and Benefits Manager together with Nicole Wood, Essex County Council, Assistant Director of Financial Management and Liz Slingsby, Essex County Council Financial Analyst all attended the meeting to assist members with their discussions.

It was explained that the Welfare Reform Act would abolish Council Tax Benefit (CTB), replacing it with a local Council Tax Support (CTS) scheme with the following intended objectives:

- to reduce grant funding by 10% (approximately £2m);
- to protect pensioners so that they are unaffected by the changes;
- to protect people in vulnerable groups, defined by local authorities. Authorities have to prevent child poverty, meet disabled people's needs and prevent homelessness;
- to support initiatives encouraging people into work.

The new arrangements would remove existing complex legislation and would mean the majority of CTS awards would be based on criteria created and administered by each local authority. Local schemes needed to be finalized by 31 January 2013 and it was intended to produce a scheme for consultation in August and September. The Policy Review and Development Panel was being asked to inform the development of the

scheme after which the Strategic Overview and Scrutiny Panel would then consider final proposals for pre -scrutiny prior to recommendations by Cabinet to Council on 6 December.

Representatives from all the Essex billing authorities and Essex County Council had been working together to jointly develop a county wide framework whereby the priority had been to minimise the impact on existing and future claimants whilst developing cost neutral schemes. This effectively meant that a cost saving could only involve and impact working age people.

The report set out the proposed key criteria to address the £2m shortfall in 2013/14:

Action	Number affected	Value £'000
Maximum liability 80%	7,736 (all)	1,508
£6,000 capital/savings limit	56	43
Abolish Second Adult Rebate	63	13
Flat rate £10 non-dependent deduction	230	96
Take account of maintenance in full	288	99
Take account of Child Benefit in full	1471	382
Total working age impact		2,141

In addition other options which could reduce the overall cost of the new scheme but which had not been recommended were explained:

Action	Number affected	Value £'000
Limit maximum liability to band D	231	86
Limit dependents allowance to 3 children	84	53
Increase income taper to 30%	1,821	310
Abolish other disregards for unearned income	1,890	766
Total working age impact		1,215

Other proposed changes included:

- removing the underlying entitlement for Council Tax Support;
- removing Extended Payments when a person starts work to be replaced by a 'Back to Work' discount of £100;
- investigating the cost of changing the current range of earnings disregards by the introduction of a single £25 disregard;
- developing a Discretionary Support Fund based on the same criteria as

Discretionary Housing Payments.

Councillor Smith, Portfolio Holder for Business and Resources attended the meeting and, with the consent of the Chairman addressed the Panel. Councillor Smith referred to the discussions which had taken place about this issue at recent Essex Finance Officer meetings and commented on the current apparent lack of support for the new arrangements from the local Police and Fire Authorities. It was suggested that consideration could be given to representations being made to the Shadow Police and Crime Commission Panel seeking a greater level of support for the discretionary scheme.

Particular discussion took place in relation to:

- the consultation arrangements in response to which 400 representations had already been received, 65% of which were favourable towards the proposals;
- the need for the proposals to include a cost neutral element;
- the cost effective and administrative benefits of a flat rate 'Back to Work' discount.

RESOLVED that the following recommendations be considered in the development of the new scheme -

(i) The development of a cost neutral Local Council Tax Support Scheme be continued;

(ii) The recommended criteria to be included in the new scheme be approved together with the proposed principles to:

- remove underlying entitlement;
- abolish Extended Payments with the aim to introduce a new Back to Work discount;
- model the cost of increasing the current range of discounts to a single flat rate earnings disregard £25;
- develop a Discretionary Support Fund, based on the same criteria as Discretionary Housing Payments.

(iii) The proposed criteria set out in (ii) above be included in a Council Tax Support policy document.

7. Work Programme 2012-13

The Panel considered a report by the Head of Corporate Management giving details of the Panel's current work programme. The programme has been updated since the previous meeting of the Panel to reflect the decisions that were made and current circumstances.

Discussion took place regarding the need to give detailed consideration to the format for the planned themed meetings later in the year and the possibility of formulating a discussion paper at the planning stage for these meetings and potentially utilising a

workshop type approach at the meetings themselves.

Councillor J Young confirmed that a letter had been sent to Councillor Derrick Louis, the Essex County Cabinet Member for Highways and Transportation regarding the issue of 20 mph speed limits and a response was awaited.

RESOLVED that the contents of the report and the current situation regarding the work programme be noted.