

**Report to:** Cabinet

**Date of Meeting:** 4 December 2017

**Report Title:** Council Tax Support Scheme 2018/19

**Report By:** Peter Grace, Assistant Director Financial Services & Revenues

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### **Purpose of Report**

To seek Member approval with regards to the Council Tax Support Scheme 2018/19 in respect of working age customers.

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### **Recommendation(s)**

1. To recommend to Full Council that there will be no change to the existing Council Tax Support Scheme in respect of working age customers for 2018/19.
2. To authorise the Assistant Director of Financial Services and Revenues to uprate allowances and premiums, as required, when announced by the Government together with any relevant changes to the Prescribed Regulations.

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### **Reasons for Recommendations**

The local authority is required to approve a scheme for the provision of council tax support in respect of 2018/19 by 31 January 2018.

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## Introduction

1. From April 2013, councils have been required to adopt their own local council tax support scheme to replace the national Council Tax Benefit Scheme, which was withdrawn on 31 March 2013. The local scheme rules only apply to Working Age customers.
2. The council is required to review and adopt their scheme each year irrespective of whether the scheme is being amended.

## Current Council Tax Support Scheme

3. The current local scheme, which has been in place since April 2013, introduced the following changes to the national scheme:
  - Set a minimum weekly award of £5
  - Removed second adult rebate
  - Increased non-dependant deductions
4. There are 10,150 people claiming council tax support, of which 6,353 are of working age and 3,797 are pensioners. The amount that will be paid in council tax support for 2017/18 is in the region of £10.1m.
5. Hastings is the only East Sussex authority which has retained the original council tax support scheme introduced in April 2013.
6. Eastbourne, Rother, Wealden and Lewes introduced the following changes from April 2016:
  - Charge all working age customers a minimum of 20% of their annual council tax bill
  - Introduced a minimum income for self-employed customers
  - Reduced the capital limit from £16,000 to £6,000 (Wealden only)

## Funding

7. Entitlement to council tax support is applied to council tax accounts as a discount, which has the effect of reducing the council tax base. This adds to the pressures on overall budgets for all precepting authorities.
8. The grant funding for the council tax support scheme is included within the Revenue Support Grant (RSG) and retained Business Rates.
9. It is therefore important to review the existing scheme to strike the right balance between protecting those on low incomes and maintaining essential services.

## Council Tax Support Scheme 2018/19

10. No changes have been considered in respect of the 2018/19 scheme, as all five East Sussex authorities agreed that they were satisfied with their existing schemes. Therefore the recommendation is that we continue with the 2017/18 schemes for another year.
11. However, all agreed that with the increasing impact of Universal Credit on the Council Tax Reduction scheme workloads, it would be prudent to look at a radical change to our schemes with effect from April 2019.

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### Wards Affected

ALL

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### Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness  
Crime and Fear of Crime (Section 17)  
Risk Management  
Environmental Issues  
Economic/Financial Implications **YES**  
Human Rights Act  
Organisational Consequences  
Local People's Views  
Anti-Poverty

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### Additional Information

Link to copy of Council Tax Support Scheme

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### Officer to Contact

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