

Agenda Item No: 9

Report to: Cabinet

Date of Meeting: 6 October 2014

Report Title: Council Tax Support Scheme

Report By: Peter Grace
Head of Finance

Purpose of Report

To propose that the Council Tax Support Scheme for 2015/16 remains unchanged and that Cabinet makes such a recommendation to full Council for its approval on 22 October 2014.

Recommendation(s)

- 1. To recommend that the Council continues with the existing scheme for 2015/16.**

Reasons for Recommendations

The Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, requires a local authority to review its scheme annually and seek approval for the provision of a Council Tax Support Scheme.

Introduction

Background

1. In December 2013 it was agreed by full council that the Council Tax Support Scheme, previously recommended by East Sussex Joint Leaders/Chief Executives in respect of 2013/14, remain unchanged in Year 2, i.e. 2014/15.
2. As the scheme is approved from year to year, we are now reviewing the situation with regards to a scheme for Year 3, 2015/16.

Year 2 update

3. There are currently 11,757 claimants in receipt of a council tax reduction, which is 401 claimants less than last year. Pensioners still account for 37% of the caseload.
4. The estimated annual cost is in the region of £10.9 million, which represents a reduction of around £300,000 from 2013/14.
5. Pensioners continue to be protected and receive support for their Council Tax in keeping with the national rules.
6. Due to the limited changes made to the old Council Tax Benefit Scheme, the impact on our residents has been kept to a minimum and has not resulted in the problems seen by many authorities who made more radical changes.

The changes were as follows:

- The removal of Second Adult Rebate
- A minimum weekly award of £5
- A small increase to non-dependent deductions

Year 3

7. A report was presented to the East Sussex Joint Leaders/Chief Executives at a meeting in April 2014, setting out the possible options for 2015/16.
8. The following options were considered:
 - To maintain the existing scheme.
 - To introduce a scheme that reduces the cost to an acceptable level for all Councils
 - To introduce a scheme that is cost neutral (covers the loss of government grant).

9. Following discussions, the group agreed that the preferred option was to retain the existing scheme for the following reasons:
- The current scheme costs and income across the five authorities in east sussex are more favourable than previously predicted, which makes this option financially viable moving forward to the Year 3.
 - No additional impact on our residents.
 - No consultation required.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

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

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	Yes

Background Information

Officer to Contact

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