

Report to the Council

Committee: Cabinet

Date: 21 December 2017

Subject: Local Council Tax Support Scheme 2018/19

Portfolio Holder: Councillor G Mohindra (Finance)

Recommending:

(1) That the revised Local Council Tax Support Scheme for 2018/19 be approved.

1. As part of the major changes to the Welfare Benefits system, Council Tax Benefit ended on 31 March 2013 and was replaced by a scheme called Local Council Tax Support (LCTS). The LCTS scheme has to be reviewed annually by the Council. A key principle of the scheme is the protection of people who are of an age where they can claim Pension Credit. The Government have regulations in place to ensure that pensioners continue to receive the same level of assistance as they would have done if the Council Tax Benefit scheme was still in place. The Council can therefore only make amendments to the Local Council Tax Support scheme for people of working age.

2. The Pan Essex LCTS project group, comprising of all the billing authorities and the unitary authorities in Essex, was created in January 2012 to devise a modular approach upon which all Essex authorities could base their local schemes according to local needs. The precepting authorities of Essex County Council, Essex Fire Authority and Essex Police have been involved from the beginning of the project. The project is managed by the Benefit Managers under guidance from the Essex Finance Officers Association.

3. The Council approved the Epping Forest LCTS scheme for 2013/14 in December 2012, and for the first 3 years, the scheme remained unchanged. In December 2015, the Council approved 2 amendments to the scheme for 2016/17, the first being that the maximum discount percentage was reduced from 80% to 75%, and the second being a change to the calculation of self-employed income to align it with Universal Credit.

4. On 11 July 2017, Cabinet approved the general principle that the Local Council Tax Support scheme for 2018/19 should aim to be cost neutral for the Council and that public consultation should be undertaken on the following three proposed changes to the scheme:

- (a) the introduction of six-month fixed period assessments for recipients of Universal Credit ;

(b) the disregard of Bereavement Support Payments to bring the Scheme in line with other welfare benefits and the Scheme's eligibility for people of pension age; and

(c) to allow a decision made by the Department of Work and Pensions concerning other benefits to be disregarded when it was clear that their decision was incorrect.

5. Consultation on the 2018/19 scheme was undertaken from 18 August 2017 to 27 October 2017. A total of 96 responses was received which, although disappointing, was an improvement on the 58 responses received the previous year, due to the advertising of the Consultation on social media. The Consultation questions and responses were listed as Appendices to the report considered by the Cabinet on 7 December 2017 (agenda item 9, report C-027-2017/19 refers). Overall, the responses received to the Consultation did not highlight any issues to give cause to reconsider the three proposed changes listed above.

6. For the last five years, there has been a small hardship fund to assist households which have been experiencing exceptional hardship; it was anticipated that the current year's budget for this fund would be adequate. In previous years, contributions to this fund had been made by Essex County Council, Essex Fire & Rescue Service, and Essex Police, and all three organisations have agreed to continue those contributions for 2017/18.

7. Following the end of the consultation period Members now need to approve the scheme for 2018/19 and decide whether the scheme should remain in its current form for 2018/19 or whether any amendments should be made. The proposed revised Scheme has been published as a background paper for this meeting.

8. We recommend as set out at the commencement of this report.