

Corporate Scrutiny Committee – 25 May 2017

Present: Councillor Mrs Smith-Roberts (Chairman)

Councillors Mrs Blatchford, Cavill, Coles, Coombes, Farbahi, Gaines, Hall, James, Lees, Ms Lisgo, and Sully.

Officers: Heather Tiso (Revenues and Benefits Service Manager) and Marcus Prouse (Democratic Services Officer – Scrutiny)

Also present: Anne Elder (Chairman of the Standards Advisory Committee).

(The meeting commenced at 6.15 pm).

114. Apologies

Apologies were received from Councillors Horsley and Mrs Smith.

115. Declaration of Interests

Councillor Mrs Smith-Roberts declared a personal interest as the Chairman of Refugee Aid. Councillor Cavill declared a personal interest as a Member of Taunton Heritage Trust. Councillor Coombes declared personal interests as a Stoke St. Mary Parish Councillor and as the owner of an area of land at Haydon, Taunton. Councillor Farbahi declared a personal interest as a landowner in the Borough of Taunton Deane. Councillor E Gaines declared a personal interest as a member of the Trustee Link Partnership.

116. Review of Council Tax Support Scheme 2018/19.

Considered report previously circulated, concerning the Review of Council Tax Support Scheme 2018/19.

Considered report previously circulated, concerning the proposed review of the Council Tax Support (CTS) Scheme for the 2018/2019 Financial Year.

The Council was legally required to give annual consideration on whether to revise its local CTS scheme and to consult with interested parties if it wished to change the scheme.

From 1 April 2014, funding for localised CTS was incorporated in the annual Settlement Funding Assessment (SFA), (comprising Revenue Support Grant and Business Rates Baseline) and is not separately identified. The approach taken by many authorities has been to assume the funding for CTS has been reduced at the same rate as the SFA. The SFA has reduced by 45.7% in cash terms since 2013/14. Therefore, in applying this methodology, the funding available for Localised CTS had reduced by £2,792,307 to £3,317,773.

The report provided detailed information as to Taunton Deane's CTS scheme as well as the collection and recovery of Council Tax in 2016/2017. It also set the background and context for reviewing the CTS scheme for Working Age applicants from 2016/2017 and to agree on the options to take to public consultation.

The Council had worked in collaboration with the County Council (as the major preceptor) and the other Somerset District billing authorities of West Somerset, Sedgemoor, Mendip and South Somerset to develop options to revise the CTS scheme for working age applicants from 2018/2019. The options considered for 2018/2019 included:-

- **No change.** This would mean that the CTS would be worked out in the same way as 2017/2018, with the Council Tax contribution rate for those in receipt of CTS remaining at 20%. Any reduction in support offered to working age CTS recipients is likely to negatively impact on in-year collection of Council Tax, at least in the short term;
- **Introduce Entitlement Limits.** This would mean CTS recipients would have a minimum limit where there is no entitlement below a certain level. There would also be a maximum limit where entitlement is capped at a certain level.
- **Change CTS so entitlement is based on bands of income.** This option involved setting bands of awards based on an applicant's net income (and that of their partner). Whilst this is the least complex option to administer and potentially provides less sophisticated protection for some groups, it would be simpler to administer. This could be an important factor as the Council anticipates a falling central government administration grant which will mean the Council will potentially bear a greater proportion if not all of the administration costs of any new scheme in the years ahead.
- **Reduce Maximum CTS offered to working age recipients from 80%.** This means working age CTS recipients would need to pay more and the Council could reduce the funding required to support the scheme in 2018/19 to assist in off-setting cuts in the Local Government Finance Settlement. Under our current CTS scheme the minimum contribution is 20%. If we were to reduce the maximum CTS offered to working age recipients to 70%, it would mean everyone would have to pay at least the figures shown below and on the following page.

Members were requested to agree the options to take to public consultation which would run during a 8 week period, starting on 3 July 2017.

During the discussion of this item, Members made comments and statements and asked questions which included:-

- Councillors were concerned with the consultation that informed members of the public that Councillors had a preferred option. The consultation should assist in members forming a view over the preferred option.
- It was requested for a detailed response to be requested from other agencies such as Citizens advice who could give their view on the options.
- Feedback from major preceptors included Somerset County Council, Avon and Somerset Fire Service and the Police, by law these preceptors had to be consulted with.

- The Unparished area would be consulted with by way of a random sample within each ward using the unique property identifier, this would include the Unparished area.
- It was recognised the claimants requiring council tax reduction were often the least likely to be able to deal with forms and paperwork, officers followed up this through home visits, officers were given support to deal with residents with learning disabilities and had significant experience in dealing with a wide range of issues. Notes of claimant's requirements were kept on records along with potentially violent customers.
- SCC had a statutory duty to young people leaving care. In terms of identifying these individuals, Somerset County Council would have a record of these across Somerset. It was considered if more should be done for care leavers.
- In relation to tackling the issues of children living in poverty, Child Benefit and Childcare costs were not taken into account in these instances.
- There was a continued frustration with zero hours contracts impacting on benefit entitlement, this could be at the root of most shifts in incomes. There were concerns that the system was causing these situations more difficult and complex.
- Further concerns were expressed in a rise in number of working families using food banks, members questioned if further cuts were a continued assault of those who are working age.
- Councillors were reluctant to start a consultation leading with a preference, the aim was to obtain views via the consultation and not influence public opinion.
- As at 31st March the figures set out in the report were accurate.
- There was broad agreement that Option 3 would be the fairer option.
- It had been determined that delays in universal credit had contributed to rent arrears on the increase and greater reliance on the food bank.
- It was doubtful that with the retention of business rates that local councils would be able to keep any more funding than at present.
- There were around 450-500 recipients of Universal Credit receiving council tax support and housing benefit.
- The Department for Work and Pensions were responsible for assessing and administering universal credit.
- Customer access and support was given to customers to claim universal credit.
- A banded discount scheme to those in arrears was determined to potentially have a positive effect.
- Universal Credit would be easier to administer and pose less uncertainty to its recipients with varied incomes.
- Income modelling could be provided as part of the consultation. It was requested if the public could be consulted on and asked for ideas in how council tax support could be improved.
- Transitional protection can be used in certain instances to enable claimants to get used to reduced support or protect customers with particular needs. The same protection could be applied with business rates support and limit how support is reduced.
- Members requested, where possible to identify areas which could affect children in poverty to target with discretionary support.
- The consultation would enable members of the public to give a view on who council tax support should be targeted at.

- The consultation will run from 3rd July for 8 weeks. 300 responses will be sought as a minimum.
- Councillors commended the Revenues and Benefits Service Manager on a clear presentation and report.

Resolved that the Corporate Scrutiny Committee agreed on option 3 for the preferred option for public consultation in revising our Council Tax Support Scheme for 2018/19. Noted that the this was not unanimous

117. Corporate Scrutiny Forward Plan

Submitted for information the proposed Forward Plan of the Corporate Scrutiny Committee.

Resolved that the Forward Plan be noted.

(The meeting ended at 7.36 p.m.)