

# MIDDLESBROUGH COUNCIL

AGENDA ITEM 4

## COMMITTEE REPORT

### CORPORATE AFFAIRS COMMITTEE

29 JANUARY 2014

#### LOCAL COUNCIL TAX SUPPORT 2014/15

HEAD OF SERVICE : PAUL SLOCOMBE DIRECTOR OF RESOURCES

#### PURPOSE OF THE REPORT

- 1 To approve the Council Tax Support (CTS) scheme for 2014/15.

#### BACKGROUND

- 2 On 9 January 2013, Council approved the local CTS scheme for 2013/14 following a public consultation exercise and an options appraisal as to how the local scheme could operate. A copy of this report is included as Appendix A.
- 3 The local CTS started on 1 April 2013 and replaced the previous national Council Tax Benefit (CTB) scheme. The main feature of the local CTS scheme is that working age claimants have to pay at least 20% of their Council Tax. Pensioners are protected from any reduction under a national set of regulations.
- 4 All Council's are required to set a CTS scheme each year. There are no significant changes to the proposed scheme for 2014/15.

#### PROPOSALS

- 5 The local CTS scheme has to be designed, and administered by Local Authorities, with the new scheme being published by 31 January each year. When the scheme was designed, a full public consultation was carried out. There are no requirements to consult with external agencies unless there are significant changes to the local CTS scheme.
- 6 The only changes proposed for 2014/15 is to uprate certain income for both working age and pensionable age claimants and a small number of minor corrections due to changes in national legislation.
- 7 The Department for Communities and Local Government (DCLG) have recently published a statement on their intentions to uprate details for the scheme for pensioners from 1 April 2014 as follows:

- (a) Personal allowances in line with Pension Credit rates
  - (b) Premiums in line with Consumer Price Index
  - (c) Non-dependant deductions in line with growth in eligible Council Tax
- 8 A broadly comparable exercise was carried out annually by the Department for Work and Pensions (DWP) when CTB still existed. The DCLG are therefore replicating this for the Pensioner CTS scheme although it is for Local Authorities to determine such figures for working age claimants.
- 9 In light of this, it is proposed that the approved local CTS scheme is uprated in line with the national CTS scheme for Pensioners.
- 10 Where amounts are to be uprated for working age people, it is proposed that the amounts will be uprated in line with the amended Housing Benefit regulations for working aged people for 2014/15 which have been laid before Parliament and notified to Local Authorities by DCLG on 24 December 2013.

## **FINANCIAL CONSIDERATIONS**

- 11 All Council Tax payers (excluding Pensioners) are potentially affected by the changes to local CTS from 1 April 2013 onwards. There are no legal implications in respect of the changes proposed for 2014/15.
- 12 The previous consultation exercise undertaken in respect of the CTS scheme confirmed that the impact of the reduction in funding should be passed on to benefit recipients and that people of working age should also pay some Council Tax. The Council does have the option of absorbing the cost of the CTS scheme, or amending the percentage working age claimants have to pay. Given that the Council's financial position has not improved, and that no major challenges have been received to the scheme, it is felt that the reduction in entitlement for working age claimants should still apply.

## **RECOMMENDATIONS**

- 13 It is recommended that the national uprated figures for Pensioners are included in the CTS scheme for 2014/15. In addition, it is also recommended that the amounts used when working out CTS for working age claimants are uprated in line with the amended Housing Benefit regulations which have recently been clarified by Central Government.
- 14 The Council has to publish a local CTS scheme for 2014/15 by 31 January 2014. The scheme is working well with no major challenges therefore it is not felt appropriate to change the scheme after only one year. In addition, the Council is not in a financial position to reduce the amount working age claimants have to pay towards their Council Tax.

## **BACKGROUND PAPERS**

15 No background papers were used in the preparation of this report.

## **AUTHOR**

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