

Report of Director of Resources

Report to Executive Board

Date: 5th September 2012

Subject: Consultation on localised Council Tax Support scheme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: Appendix 3	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. Executive Board approved consultation on a local Council Tax Support scheme that protected certain groups from reductions in support and limited the amount of support for other working age customers.
2. The Local Government Finance Bill requires that we consult with major precepting authorities before consulting with the public. The Executive Board report made reference to the consultation with the Police Authority and Fire and Rescue Services and noted that consultation would conclude at the end of July 2012.
3. Both the Police Authority and the Fire and Rescue Services have responded to say their preference would be for a scheme that did not have any cost implications for their services. In essence, this means passing the funding reductions onto customers.
4. In light of this, the report seeks approval to include an additional scheme option alongside the original approved option for consultation.

Recommendations

2 Executive Board is asked to:

- a. Approve for consultation alongside the option already approved, additional schemes that would aim to limit scheme spend to Government funding levels.

1 Purpose of this report

- 1.1 The report updates the Executive Board on the outcome of the consultation process with West Yorkshire Police Authority and West Yorkshire Fire and Rescue Services and seeks approval to consult on an alternative scheme proposal alongside the original proposal approved for consultation by Executive Board.

2 Background information

- 2.1 A report was submitted to Executive Board in June 2012 seeking approval to consult on a local Council Tax Support scheme that offers protection to certain groups and limits the reduction in support for other working age customers to 10% of their entitlement based on the existing Council Tax Benefit scheme. The report made reference to the fact that consultation with the Police and Fire and Rescue Authorities would be concluded in July. This has now been done and the response from the Police and Fire and Rescue Authorities is attached at appendices 1 and 2
- 2.2 The Board may also be interested in the declared proposals from other councils . Appendix 3 sets out the position in relation to those Core City councils and West Yorkshire councils that have formally announced proposals.

3 Main issues

- 3.1 Following the publication of the Executive Board papers for the June 2012 meeting, a consultation exercise was undertaken with both the WY Police Authority and WY Fire and Rescue Services. There is a requirement to consult with the major precepting authorities under the Local Government Finance Bill that is progressing through Parliament. This is because where local Council Tax Support schemes costs exceed the level of Government funding, the additional costs are shared between the council and the precepting authorities on the basis of their share of the Council Tax.
- 3.2 Both the Police Authority and the Fire and Rescue Services have responded to the consultation to say their preference is for a scheme that would not have cost implications for their services.
- 3.3 In response to this feedback, it is proposed, therefore, that an additional scheme that aims to keep spending within Government funding levels is included alongside the proposal already approved for consultation. The intention is to include an additional scheme that retained the principle of protecting the groups set out below but reduced support for remaining working age customers by up to 30% (Appendix 4). This level of reduction assumes costs increases arising from both an increase in Council Tax and an increase in working age caseload of 5%. All figures assume a 10% reduction in funding from Central Government (Appendix 5).

- 3.4 As set out in the June 2012 Executive Board report the groups that would be protected are:
- lone parents with children under 5;
 - customers in receipt of the severe disability premium or enhanced disability premium from any reductions in support as a result of changes to the scheme;
 - claimants in receipt of war widows or war widowers pension from any reductions in support as a result of any changes in the scheme; and
- 3.5 Following the need to review the scheme options in response to feedback from the precepting authorities, it will be necessary to reduce the consultation period to 8 weeks – this is in line with the consultation periods for all other WY councils.

4 Corporate Considerations

Consultation and engagement

- 4.1 The report is in response to consultation with the Police Authority and the Fire and Rescue Services.

Equality and Diversity / Cohesion and Integration

- 4.2 An equality impact analysis will form part of the wider public consultation exercise.

Council Policies and City Priorities

- 4.3 The implementation of a local Council Tax Support scheme is a key priority for the Council.

Resources and Value for Money

- 4.4 The inclusion of additional scheme options will provide more scope to assess value for money and resource implications and will provide greater opportunity for the public to express their views.

Legal Implications, Access to Information and Call In

- 4.5 The information contained in Appendix 3 falls within Access to Information rule 10.4(3) as it is information relating to the financial or business affairs of local authorities. The information relates to proposals that are being developed for consideration by a number of local councils and in some instances are still subject to the relevant approval processes.
- 4.6 Councils are required to adopt local schemes by 31st January 2013 and in order to do so need to undertake meaningful consultation with major precepting authorities, the public and groups with an interest in the scheme design.

Risk Management

4.7 The proposal to include additional scheme options in the consultation will reduce the risk to the council of adopting a scheme that did not adequately take into account feedback from consultation.

5 Conclusions

5.1 The inclusion of an alternative scheme option for wider consultation enables the council to undertake a public consultation exercise that more fully reflects the views of the council and the major precepting authorities. The alternative scheme option retains the principle of protecting those groups less able to improve their financial position and who, because of disability or child care commitments, are not required by Government to undertake work-related activity as part of claiming benefits.

6 Recommendations

6.1 Executive Board is asked to:

Approve for consultation alongside the option already approved, additional schemes that would aim to limit scheme spend to Government funding levels.

7 Background documents ¹

Local Government Finance Bill

DCLG consultation paper on funding for localised schemes of support for Council Tax

DCLG Statements of Intent on localised schemes of support for Council Tax

Executive Board report: June 2012

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.