

Council Tax Support - planning for 2018 and beyond

REPORT TO THE EXECUTIVE



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PORTFOLIO	Resources
REPORT AUTHOR	Deborah Davies
TEL NO	01143 999096
EMAIL	deborah.davies@liberata.com

PURPOSE

1. To seek approval to maintain the Council Tax Support Scheme broadly 'as is' for 2018/19, save for minor changes to the process of backdated claims, and to explain the reasons for suggesting that any changes identified as a result of the major review be implemented from 2019/20 rather than 2018/19.

RECOMMENDATION

2. It is recommended that:
the Executive recommends to Full Council to:
 - approve the changes to the Council Tax Support Scheme with respect to backdated claims, as set out in paragraph 8
 - maintain all other aspects of the Council Tax Support Scheme for 2018/19
 - note the timelines for the continuing review of the scheme in time for implementation in 2019/20

REASONS FOR RECOMMENDATION

3. It was previously planned to undertake a major review of the CTS scheme during this year, but subsequently the roll-out of Universal Credit 'full service' was implemented on 17th May 2017. Therefore its full impact will not be known until late 2017 / early 2018. In light of this it is recommended that it would not be appropriate to implement a further significant change to the support that is available to residents on lower incomes until the full impacts of Universal Credit are known.
4. Over the next 3 to 4 years Burnley Council can expect the housing benefit caseload to fall by approximately one half, to around 4,500 to 5,000 claims. This is due to more residents transferring to universal credit and having their housing costs met that way. Time is required to understand the possible impact that this change will have on the way potential and existing Council Tax Support claimants use our services.

SUMMARY OF KEY POINTS

5. The Council's local Council Tax Support Scheme replaced Council Tax Benefit from April 2013. The Council's scheme, based on the previous Housing / Council Tax Benefit Scheme, was approved by Full Council in December 2012. The old Council Tax Benefit scheme was largely retained within the local support scheme and has continued to protect pensioners, as prescribed by Central Government.
6. Burnley Borough Council's Council Tax Support Scheme has remained unchanged since April 2015, except for the annual uprating of applicable amounts / premiums. The CTS scheme no longer exactly mirrors the Housing Benefit Scheme, although many of the same principles apply. As more claimants transfer from housing benefit to Universal Credit the differences between the CTS and HB schemes will become less noticeable. This divergence opens up the possibility for innovation when creating a new CTS scheme. An example might be the creation of a scheme based on income bands, much simpler than a full means test as now. Using one London borough as an example – the lowest income band is £0-£150 with the bands rising in £50 increments all the way up to £401-£450. Support in the lowest band is awarded at 80%, reducing by 10% per band down to 20% for the highest band.
7. It is suggested that over the remainder of 2017 and early 2018 research and testing should be done on different options for the scheme. Alongside this work we will be developing an understanding of the impact of the changing housing benefit workload. Throughout all of this period we will be working with Members to ensure that any proposals reflect the values and objectives of the Council. We would look to consult with the public on proposed changes to Council Tax Support during the summer of 2018.
8. There is one aspect of the current CTS scheme that it is recommended to change from 2018/19. Currently claims for Council Tax Support from working age claimants can be backdated for up to six months where an applicant shows 'good cause' for doing so (i.e. providing a detailed justification of why they did not claim at the earlier time). With the rise in Universal Credit some claimants are not claiming CTS when they first become eligible, usually because they are unaware that a separate claim to a different body is required. It is suggested that the CTS scheme be changed removing the need to demonstrate 'good cause' before a claim can be paid from a date earlier than the official claim date. In addition, the maximum backdate period of 6 months is recommended to be removed.
9. This will mean that the claimant no longer has to make a separate request for backdated support, allowing support to be awarded more quickly and removing uncertainty for the claimant. Under the current scheme the maximum length of time support can be backdated is 6 months, meaning that even where it is clear that a claimant would have been entitled to support at an earlier date it cannot be awarded. Removing this limitation ensures that claimants will receive an accurate council tax bill at the earliest opportunity, allowing for more time to pay and a reduced likelihood of falling into arrears and getting caught up in the recovery cycle.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

10. Removing the backdate limit is unlikely to result in significantly more awards being made; calculations for the cost of the scheme were made based on previous year's entitlement and it is not that more people are becoming entitled, but that the claims are not being made in a timely fashion. Thus it is not anticipated that there will be any significant financial impact.
11. Regarding the CTS scheme from 2019, it could be built into the calculations that the cost cannot be greater than the current scheme (so the scheme will be designed to fit the budget)

POLICY IMPLICATIONS

12. These changes would result in minor policy amendments for the Council Tax Support scheme in 2018/19.

DETAILS OF CONSULTATION

13. Not yet applicable

BACKGROUND PAPERS

14. None.

FURTHER INFORMATION

PLEASE CONTACT:

Deborah Davies

ALSO:

Amjad Rana