

Committee: Cabinet

Agenda Item

Date: 1 December 2016

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**Title: Local Council Tax Support (LCTS)
Consultation 2017/18**

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Item for decision

Summary

1. There is a requirement to annually review the Local Council Tax Support (LCTS) scheme, and propose changes to the scheme for the following financial year. The decisions made, even if no change is proposed, must be consulted upon before a decision is taken at Full Council in December on the final scheme for the following financial year.
2. Uttlesford has the lowest percentage contribution requirement of any authority in Essex. This demonstrates the council has used its resources effectively to support the scheme.
3. It has been the council's policy to make a full contribution to protected claimants.
4. At its meeting on 14 July 2016, the Cabinet set out its draft LCTS scheme for 2017/18. The Cabinet approved a number of amendments to the proposed scheme to be included in the consultation.
 - a) Parish and Town Subsidy Grant to be reduced by 50%
 - b) To align the LCTS scheme with the Housing Benefit and Universal Credit reforms
5. On 22 November 2016 Scrutiny Committee reviewed the consultation outcomes and noted the views of the public.

Recommendations

6. The Cabinet is requested to approve, for recommendation to Full Council, the Local Council Tax Support scheme as recommended at Cabinet on 14 July 2016 and as set out in this report.

Financial Implications

7. None.

Background Papers

8. None.

Impact

Communication/Consultation	Public consultation is carried out as part of the LCTS process.
Community Safety	None
Equalities	None – open consultation
Health and Safety	None
Human Rights/Legal Implications	The council is required to have the 2017/18 scheme agreed prior to 31 January 2017
Sustainability	The objective is to achieve a financially sustainable set of arrangements.
Ward-specific impacts	None.
Workforce/Workplace	Ongoing demands on the Revenues & Benefits, Housing and Customer Service teams

9. The 2017/18 LCTS scheme runs from 1 April 2017 to 31 March 2018. Taking into account the consultation results along with any comments from this committee, the Cabinet meeting on 1 December will recommend to Full Council on 8 December that a final scheme is approved.
10. At its meeting on 14 July 2016 the Cabinet set out the draft proposals for the 2017/18 LCTS scheme.
 - a) The 2017/18 LCTS scheme is set on the same contribution rate as the 2016/17 scheme and therefore the contribution rate is frozen at 12.5% for the third consecutive year.
 - b) Discretionary subsidy for town & parish councils for 2017/18 in accordance with the principles set out below.
 - I. UDC should continue to provide discretionary funding to town and parish councils at a reduced level of 50% to assist in mitigating the effect of LCTS discount taxbase reductions on the Band D Council Tax calculation.
 - II. The total UDC parish subsidy pot to be distributed using the formula of [2012/13 Parish Band D x 2016/17 Parish LCTS taxbase reduction] – thus avoiding UDC subsidising any precept increases made since 2013/14. The payment to then be adjusted by 50%.
 - c) There are six key reforms to the way benefits are assessed and of these the following four have already been implemented and it is recommended that these are incorporated into the LCTS scheme for 2017/18.

- I. Removal of the family premium for all new working age claimants
- II. Reduction of backdating of a claim from 6 months to 1 month
- III. Removal of the element of the work related work activity component in the calculation of the current scheme for new employment and support allowance applicants
- IV. Period of absence from Great Britain from 13 weeks to 4 weeks whilst still being able to claim benefits

d) There are two remaining reforms that are likely to be implemented by April 2017 and it is recommended that the LCTS scheme also incorporates these into the 2017/18 scheme as they become applicable.

- I. Limiting the number of children within the calculation to a maximum of two.
- II. Removal of the severe disability premium where another person is paid universal credit (carers element), to look after them.

11. The 2017/18 council tax discounts are set at the same rates as in the previous three years and these are set out below.

	Discounts given 2013/14	Changes introduced as from 1 April 2014
Second homes	10%	Remove discount
Empty Homes Class A (major repairs)	100% for up to 12 months	Reduce discount to 50% for up to 12 months
Empty Homes Class C (vacant)	100% for up to 6 months	Reduce discount to 50% for up to 6 months
Empty Homes Premium (empty & unfurnished for more than 2 years)	None	Add premium of 50%

LCTS consultation outcomes

12. The consultation period ran from 15 August to 30 September and 1,206 (1,115 paper and 91 online) responses were received. This is one of the largest responses for any non-planning consultation that the council has undertaken in recent years and is a 10.7% increase in responses compared to 2016/17.

The following consultative methods were used; in all cases the same questions were asked.

- Dedicated pull-out four page survey distributed with *Uttlesford Life*. A reply paid envelope was also included so as to make it as easy as possible for residents to respond. Additional paper copies were also distributed to the

Council's main contact points at the Great Dunmow Library, Thaxted CIC and the CSC in Saffron Walden.

- Open public consultation. The survey was promoted on the Council's website from 15 August to 30 September via an interactive form using the Snap 11 consultation platform.
- General promotion was carried out with a press release and exposure via the Council's social media channels and prominent placement on the homepage of the Council's website.

13. It should be remembered that not all respondents chose to answer all of the questions and that in a number of cases residents opted to submit statements and comments in support of the 'No' option even though they had answered 'Yes' to a particular section of the consultation.

14. The consultation full report is attached as Appendix One. In summary the responses to the proposed LCTS scheme for 2017/18 are;

- 71.6% said that we should keep the contribution rate at 12.5%
- 63.8% said that the council should continue to pay the grant to Parishes at 100%, down from 93.5% last year.
- Overall the responses were in favour of the alignment of Housing Benefits reforms to the LCTS scheme, with the exception of the removal of the severe disability premium (extra money paid to a severely disabled person to assist in employing a carer), if the claimant's carer already receives the carer's element through universal credit (Q4 e).

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
A detailed risk assessment shall accompany the budget proposals. There are no specific risks at this stage.			

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.