
EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 11 OCTOBER 2012

COSP.68/12 LOCALISATION SUPPORT OF COUNCIL TAX

The Director of Community Engagement (Mr Gerrard) submitted report CD.47/12 providing an update on the draft proposals for a Local Scheme to provide support for Council Tax.

Mr Gerrard reported that the draft Scheme was identical to the current Council Tax Benefit Scheme but it would function as a discount rather than a benefit. He added that any agreed scheme would need to be approved by Council by 31 January 2013.

The matter had been considered by Executive on 6 August 2012 (EX.093/12).

The Executive resolved:

“That the Executive:

1. Agreed the principle of not reducing the current level of reductions given to existing Council Tax Benefit recipients when changing from a Benefit to a Discount.
2. Agreed that Carlisle City Council's LSCT Scheme would be identical to the current Department for Work and Pensions Council Tax Benefit Scheme but written as a S13A policy document, under The Local Government Finance Act 1992 (as amended), to ensure it becomes a legal discount rather than a Benefit.
3. Agreed the principles of funding the scheme, in part or full, through the application of Council Tax Technical Reforms and other funding streams.
4. Was aware that the full LSCT S13A policy and the decisions regarding implementation of Council Tax Technical Reforms and other funding streams would need to be approved by Council on 8 January 2013.
5. Approved the principle of a draft policy (statement of intent), to include consultees, as part of the formal consultation process.
6. Agreed that consideration be given to the financial implications of the local scheme during the first operational year and the position reviewed for subsequent years.

7. Agreed that the Localisation of Council Tax Support Scheme be included within the definition of documents included under the umbrella of 'Budget' in the Council's Budget and Policy Framework (Article 4 of the Constitution)."

Following the decision of the Executive the consultation process for the draft Scheme had been initiated. Key steps taken had included:

- Devising and issuing customer questionnaire forms to the 9,467 current council tax benefit recipients.
- Issuing press releases to publicise the draft scheme proposals to all residents and relevant interested groups.
- Introduction of the website guidance on the proposed changes giving links to access the draft scheme provisions and an on-line version of the survey questionnaire.
- Scheme guidance information provided for all Members to raise awareness of the draft scheme and advise on frequently asked questions.

Shared Services Partnership Manager (Revenues and Benefits) (Mr Bascombe) informed the Panel that the consultation period had taken place between 3 September to 7 October 2012 and there had been 2100 responses received which were being analysed. The key question had been to seek views on the intention to maintain support at the same level as provided through Council Tax Benefit. Options for potential scheme changes had also been included to gauge opinion for any future proposals in subsequent years. He added that the findings from the consultation would be provided in a future update and used to recommend the provisions of the scheme for approval.

He explained that changes in the way the Government provided support for precepting authorities had changed, resulting in a fixed budget equivalent to a 10% reduction in existing expenditure. The precepting partners had discussed the situation and were undertaking to share the reduction; this would be a financial implication to the City Council of approximately £100,000 to £150,000. A number of options to help offset the 10% reduction were being discussed and further information would be provided to the Panel at a future date.

In considering the report Members raised the following comments and questions:

- Would the same scheme be used in Copeland and Allerdale?

Mr Bascombe confirmed that all draft schemes across Cumbria proposed to maintain their existing Council Tax Benefit Schemes.

- Would the appropriate software be available to provide a seamless transition?

Mr Bascombe responded that the software was being developed but it was difficult for the developers as the legislation had not yet received Royal Assent. The developers understood the reality of the timescales involved.

- The report outlined an assumption that the Scheme would include adequate work incentives such as extended payment 'run ons', what other incentives were being considered?

The Performance Manager (Mrs Turner) explained that the incentives were part of the move towards Universal Credits and it was important that the Council did not undertake work that would go against the Universal Credit model.

- The City Council would continue to be responsible for ensuring that counter fraud responsibilities were being met, would there be something in place which dealt with unintentional fraud?

Mr Bascombe confirmed that the counter fraud responsibilities would continue to be carried out in partnership. If fraud occurred there was a requirement to demonstrate that the fraud was intentional, if it was not intentional the Council had the ability to deal with the issue sympathetically.

- Had the Cumbria Association of Local Councils (CALC) responded to the consultation?

Mr Bascombe informed the Panel that CALC had responded to the County Council, they had some concerns regarding the funding implications but no concerns regarding the proposals.

- Would the Panel be receiving a further update on the Scheme?

Mr Bascombe felt that the Panel should have a further report so that they could be updated on the outcome of the consultation process and the legislation when it was received.

- The Panel understood that the Directorate had a lot of work ahead of them and asked if there was enough support and resources to undertake the work.

The Communities and Housing Portfolio Holder commented that the Directorate could always use more resources but she was confident that they would be successful with the resources they had.

RESOLVED - That the Panel:

Agreed the principle of not reducing the current level of reductions given to existing Council Tax Benefit recipients when changing from a Benefit to a Discount.

Agreed that Carlisle City Council's LSCT Scheme would be identical to the current Department for Work and Pensions Council Tax Benefit Scheme but written as a S13A policy document, under The Local Government Finance Act 1992 (as amended), to ensure it becomes a legal discount rather than a Benefit.

Agreed the principles of funding the scheme, in part or full, through the application of Council Tax Technical Reforms and other funding streams.

Was aware that the full LSCT S13A policy and the decisions regarding implementation of Council Tax Technical Reforms and other funding streams would need to be approved by Council on 8 January 2013.

Approved the principle of a draft policy (statement of intent), to include consultees, as part of the formal consultation process.

Agreed that consideration be given to the financial implications of the local scheme during the first operational year and the position reviewed for subsequent years.

That a further update on the Localisation Support for Council Tax be submitted to the next meeting of the Panel.