
EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 18 OCTOBER 2012

ROSP.73/12 LOCALISATION OF COUNCIL TAX

The Director of Community Engagement (Mr Gerrard) presented report CD.50/12 on the localisation of Council Tax. He informed Members that the Report CD.39/12 had been considered by the Executive at their meeting on 6 August 2012. The decision of the Executive was:

“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 that meeting the recommendations were approved and the consultation process for the draft scheme was initiated. A customer questionnaire was devised and issued to 9,467 current council tax benefit recipients. A press release was issued to publicise the draft scheme proposals to all residents and relevant interested parties. Guidance was also introduced on the proposed changes giving links to the draft scheme

provisions and an on-line version of the survey questionnaire. Guidance on the scheme was also provided for all Members to raise awareness of the draft scheme and advise on frequently asked questions.

The consultation was scheduled to run from 3 September 2012 to 7 October 2012 and the responses were currently being analysed. The key question was to seek views on the intention to maintain support at the same levels as currently provided through Council Tax Benefit, which would be renamed Council Tax Support. Options for potential scheme changes were also included to gauge opinion for any future proposal in subsequent years. The findings from the consultation would be provided in a future update and used to recommend the provisions of the scheme for approval.

The Shared Revenues and Benefits Services Partnership Manager (Mr Bascombe) advised that while there was concern with regard to the financial liability of the proposal that would be looked at in the longer term. Officers were dealing with the Bill in the short term and Mr Bascombe confirmed that a further report would be submitted to the Panel following implementation in April 2013.

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

- If the income was to be reduced by 10% and not everyone would be affected by that reduction, eg disabled groups, what percentage of the shortfall would be spread among the remainder?

The Director of Resources (Mr Mason) reiterated that the proposal was to make no change in the first year.

- The legislation had not been completed. Was it expected to be received in sufficient time to be implemented?

Mr Bascombe advised that it was anticipated that the legislation would be received by the end of November. Mr Mason explained that Councils had been given an assurance that the legislation would be received before Members of Parliament broke for the Christmas recess.

- Did Officers have any reservations about the cuts in benefits?

Mr Mason stated that there would be no change next year and that the Council would need to fund the 10% cut. A report would be submitted to the Executive in November explaining options for funding the reduction in grant that would feed into the budget process. The report could come to the Panel if requested. Members agreed that they would like to see the report.

Mr Mason advised that officers were aware of the potential cost implications and £120,000 to £190,000 had been factored into the Medium Term Financial Plan for the purpose.

Mr Mason explained that 90% of Councils were passing on the shortfall but that could change over the coming weeks.

- What were the next steps anticipated to be for 2014/15/16? Would there be an issue with software for the new scheme?

Mr Bascombe advised that that could not be demined at the present stage but officers were looking at systems and costs. Software could not be developed until the legislation was published but a software change would have to be made.

- The report highlighted a potential increase in claimants. How will the section deal with the additional workload?

Mr Gerrard advised that Officers acknowledged that there would be a difficult challenge ahead with the introduction of the Localisation of Council Tax and Welfare Reform. Mr Gerrard believed that the role of the Council could change to offering more advice to customers on those issues. An informal Council meeting was scheduled for 23 October 2012 which would give the opportunity for Members to debate on the Welfare Reform implications and the need for more support to customers and stronger working with partners.

Staff working in IT were trying to plan ahead but were uncertain about the legislation. The situation would become clearer in future months.

Mr Crossley added that the potential uptake was unknown at the present time and that would be monitored once the legislation was introduced. Officers would have more clarity of the issues by this time next year.

The Finance, Governance and Resources Portfolio Holder reminded Members that the Welfare Reform changes would only be accessible through the internet and that could become an issue for people without access to the internet and those in rural areas with poor broadband access.

- The issue had been discussed at a Community Centre and there was the possibility that Community Centre staff or Officers from the Council could facilitate some sessions at the Community Centre to assist those people who did not have access to the internet.

RESOLVED – 1) That the localisation of Council Tax report CD.50/12 be noted.

2) That the Panel were in support of the progress made and the recommendations with the report.

3) That a further report be submitted to the Panel following the introduction of the legislation.