

Item 5(b) – Local Council Tax Support Scheme

Cabinet - Recommendation to Council

At its meeting on 8 November 2012 Cabinet considered the matter as follows:

“Members considered a report providing an update on the progress made in developing a local Council Tax Support Scheme for Sevenoaks District. The report contained a summary of the responses to the Council’s consultation on its draft scheme and Members considered the Equalities Impact Assessment of the draft scheme. The report also set out the developments in the negotiation of a Kent-wide scheme and the latest announcement from Government regarding the design of local council tax support schemes.

Members noted that the Council was required to develop and implement a local council tax support scheme to replace the current council tax benefit scheme through legislation in the Local Government Finance Bill. The decision on the final scheme needed to be taken by Council and to meet the requirements of legislation the decision of Council needed to be made by 31 January 2013 and the scheme operational by 1 April 2013. Failure to this would result in the Council being required to adopt the default scheme defined in legislation. This effectively was to operate the current council tax benefit scheme, but to do so with a reduction in funding of 10% on current levels.

The following updated recommendations were circulated to Cabinet as work on devising a Kent-wide scheme was not concluded until the day before the meeting:

Cabinet recommendation to Council:

It be resolved that...

- 1 The Council introduce a local support for council tax scheme that all residents of working age receive a deduction on the amount of council tax support they are entitled to, calculated on the basis of the current council tax benefit scheme, of 18.5%.
- 2 In year 1 of the scheme, from 1 April 2013 to 31 March 2014 the Council applies transitional protection for all residents of working age eligible to receive council tax support. This transitional protection ensures that in year 1 only all residents of working age receive a deduction of 8.5% on the amount of council tax support they are entitled to, as calculated on the basis of the current council tax benefit scheme.
- 3 The Council applies to the Government’s grant scheme for a financial contribution towards the transitional protection provided to residents once the grant scheme opens after 31 January 2013.
- 4 The Portfolio Holder for Value for Money is provided delegated authority to implement any consequential amendments to the local scheme as a result of the Government publishing its final regulations.

The Group Manager, Financial Services, reported that on 16 October the Government announced that an additional £100m grant would be provided if Councils devised a scheme where claimants only paid between zero and 8.5%.

The Leader, Chief Executive, Director of Corporate Resources and Group Manager, Financial Services had attended meetings to consider a new Kent-wide proposal . The proposal that had been developed was for an 18.5% scheme for three years with a discount in year 1 to reduce it to 8.5% and therefore taking advantage of the additional grant. Officers would continue to look for ways of also reducing the 18.5% in later years by reviewing other Council Tax discounts and exemptions.

In response to a question, the Group Manager, Financial Services, reported that it was unlikely that the grant from the Government would fund the discount in totality but agreement had been secured from the major preceptors that any difference would be underwritten.

Resolved: That

- 1 The Council be recommended to introduce a local support for council tax scheme that all residents of working age receive a deduction on the amount of council tax support they are entitled to, calculated on the basis of the current council tax benefit scheme, of 18.5%.
- 2 In year 1 of the scheme, from 1 April 2013 to 31 March 2014 the Council be recommended to apply transitional protection for all residents of working age eligible to receive council tax support. This transitional protection ensures that in year 1 only all residents of working age receive a deduction of 8.5% on the amount of council tax support they are entitled to, as calculated on the basis of the current council tax benefit scheme.
- 3 The Council be recommended to apply to the Government's grant scheme for a financial contribution towards the transitional protection provided to residents once the grant scheme opens after 31 January 2013.
- 4 Authority be delegated to the Portfolio Holder for Value for Money to implement any consequential amendments to the local scheme as a result of the Government publishing its final regulations."