

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE - SPECIAL	AGENDA ITEM: 6
DATE OF MEETING:	10th JANUARY 2013	CATEGORY: RECOMMENDED
REPORT FROM:	CHIEF EXECUTIVE OFFICER	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) CHIEF FINANCE OFFICER Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/council tax support scheme/committee reports/4 final proposals January 13
SUBJECT:	LOCAL COUNCIL TAX SUPPORT SCHEME – RECOMMENDED PROPOSALS	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That under Section 10 of the Local Government Finance Act 2012, a Local Council Tax Support Scheme for South Derbyshire is recommended to Full Council as detailed in 1.2 below:
- 1.2 That the existing national parameters and thresholds for calculating Council Tax benefit are applied to claimants adjusted for the following circumstances in the Local Scheme:
- i. That all claimants of pensionable age receive exactly the same level of support as exists under the current national scheme.
 - ii. That all households who qualify for benefit through disability premiums receive exactly the same level of support as exists under the current national scheme.
 - iii. That all war widow and war disabled claimants receive exactly the same level of support as exists under the current national scheme.
 - iv. That all military compensation payments are fully disregarded in calculating council tax support.
 - v. That working age claimants currently receiving 100% council tax benefit are deducted 8.5% from their entitlement calculated under the Local Scheme.

- vi. That working age claimants currently receiving less than 100% council tax benefit are deducted 10% from their entitlement calculated under the Local Scheme.
 - vii. That full Council Tax support for claimants entering work is extended from 4 weeks to 8 weeks in the Local Scheme.
- 1.3 That the Local Scheme is implemented on 1st April 2013.
 - 1.4 That all new claimants eligible for support under the Local Scheme are assessed in accordance with the criteria in 1.2 (above).
 - 1.5 That detailed regulations to enact recommendations 1.2 to 1.4 are laid before Full Council on 24th January 2013.
 - 1.6 That the Council applies for support under the Government's Transitional Grant Scheme for 2013/14 to support the implementation of the Local Scheme.
 - 1.7 That the existing Council Tax exemption (Class C) for unoccupied and unfurnished dwellings is abolished on 31st March 2012.
 - 1.8 That under Section 11 of the Local Government Finance Act 2012, all unoccupied and unfurnished dwellings are liable for full Council Tax at the appropriate rate after 3 months and that this is implemented on 1st April 2013.
 - 1.9 That under Section 12 of the Local Government Finance Act 2012, any dwelling that has been unoccupied and substantially unfurnished for more than 2 years, is liable for Council Tax at a rate of 150%, based on the dwelling being occupied by two adults with no discounts applicable and that this is implemented on 1st April 2013.
 - 1.10 That a grant of £5,000 is made to the Derbyshire Financial Inclusion Partnership.
 - 1.11 That the Council works with local agencies to support single parent families to access financial support and advice regarding employment opportunities and child care arrangements.
 - 1.12 That the new Local Council Tax Support Scheme and new Council Tax Charges are monitored and regular progress reports are made to the Committee during 2013/14.

1.13 That the Local Scheme is reviewed during autumn 2013 prior to any new arrangements being required for 2014/15.

2.0 Purpose of Report

2.1 To recommend details of the final scheme for Local Council Tax Support for South Derbyshire claimants that will become effective on 1st April 2013. This follows the abolition of the national benefits scheme as it applies to Council Tax on 31st March 2013.

2.2 The new system of local support has to be determined and administered by the billing authority (i.e. South Derbyshire District Council). The report recommends details of the final scheme following the Committee's deliberations and proposals at its meetings on 6th September, 18th October and 6th December 2012.

<http://cmis.south-derbys.gov.uk/CmisWebPublic/Binary.ashx?Document=14026>

<http://cmis.south-derbys.gov.uk/CmisWebPublic/Binary.ashx?Document=14187>

<http://south-derbys.cmis.uk.com/south-derbys/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1524/Committee/278/Default.aspx>

3.0 Detail

3.1 At the Committee's meeting on 6th December, final proposals were approved subject to the Government's Council Tax Support Grant being confirmed in the Local Government Financial Settlement.

3.2 The grant, which is split between all preceptors on the Collection Fund, is £4,537, 911. This is £28,000 lower (½%) than the provisional figure, but it will not have any significant effect on the overall cost and financing of the recommended scheme.

- 3.3 The estimated cost of the new scheme, together with the estimated income arising from charging Council Tax on empty properties, is summarised in the following table.

Grant Funding	£4,537,911
Transitional Grant 2013/14	£123,422
Premium on Long-term Empty Properties	£45,900
Council Tax on Properties empty for longer than 3 months	£188,094
Total Estimated Funding Available	£4,895,327
Less - Estimated Cost of Local Scheme	
Protecting Pensioners	-£2,441,530
Protecting Disability Households	-£566,975
91.5% protection for claimants in receipt of full (100%) support	-£1,306,221
90% protection for claimants not in receipt of full (100%) support	-£575,673
Protecting War Widows/War Disabled and Military Compensation	-£5,500
Extending Benefit Entitlement for People returning to Work	-£24,000
Balance	-£24,572

- 3.4 The balance of £24,572 is not considered significant. As previously reported, it is not intended to declare a surplus on the Collection Fund for 2013/14. This will be held as a contingency pending the implementation of the new scheme, together with actual income generated from the new council tax streams (i.e. empty properties).

4.0 Financial and Corporate Implications

- 4.1 These are detailed in the report.

5.0 Community Implications

- 5.1 The proposals will have an impact upon residents of the District who currently claim benefit or in the future may become eligible for support under the Local Scheme.
- 5.2 As previously reported, the Council's proposals and wider options were subject to consultation over a 12 week period from August to November 2012. The draft final scheme has also been subject to an Equality Impact Assessment. These details were reported to the Committee on 6th December 2012.

6.0 Background Papers

- 6.1 *Localising Support for Council Tax in England*, DCLG Statement of Intent and Implementation papers (May 2011).

<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/lgfinancebill/>

- 6.2 *The Welfare Reform Act*, Department for Works and Pensions, details and further reading.

<http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011/>

- 6.3 *The Local Government Finance Act (2012) – a brief Guide*

<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/lgfinancebill/>