

29 November 2012

This record relates to Agenda Item 81

## **RECORD OF POLICY & RESOURCES COMMITTEE DECISION**

**SUBJECT:** COUNCIL TAX SUPPORT SYSTEM -  
PROPOSED FINAL SCHEME

**AUTHOR:** JOHN FRANCIS

### **THE DECISION**

- (1) That the Overview and Scrutiny report at appendix 1 to the report be noted and that the responses detailed at appendix 2 to the report as amended be approved;

Recommendation to Council

- (2) To note the Overview and Scrutiny report at appendix 1, its recommendations and the Committee's responses at appendix 2 as amended;
- (3) To note the information about the government's October announcement of transition grant at appendix 3;
- (4) To note the feedback from consultation and the responses at appendix 5 and section 4 of the report;
- (5) To note the Equality Impact Assessment at appendix 6;
- (6) To agree that the proposals in the draft scheme published in July be adopted with the amendments necessary to satisfy the criteria for transition grant set out in the October announcement;
- (7) To agree that the full text of the final scheme be based on the government's default Regulations with suitable amendments to adapt the scheme as a scheme local to Brighton & Hove;
- (8) Accordingly to make the Brighton & Hove City Council (Council Tax) Low Income Discount Scheme 2013 (the main scheme) as set out in Part 1 of appendix 4 and the Brighton & Hove City (Council Tax) Discretionary Scheme 2013 (the discretionary scheme) as set out in Part 2 of appendix 4;
- (9) To authorise Director of Finance to take all appropriate steps to implement and administer the main scheme and the discretionary scheme, including (1) publishing the main scheme in accordance with statutory requirements, (2) applying for any funding for which the Council may be eligible, and (3) responding to any other government initiatives or consultation exercises;
- (10) To authorise the Head of Law to make suitable amendments to the Council's constitution to reflect the council's new functions in relation to council tax reduction schemes, in particular (1) to indicate in Part 3 (Council Functions)

that only the Full Council can make, revise or replace its main scheme and (2) to replace in the Schemes of Delegation to Committees and Sub-committees and to officers any references to council tax benefit with references to council tax reduction schemes.

## **REASON FOR THE DECISION**

The recommendations set out in this report have regard to the levels of savings the council needs to make whilst still providing support to working age residents on low incomes with the majority of their council tax.

The Overview & Scrutiny report notes *'Within the budget and time constraints, the Council Tax Support Scheme cannot be significantly improved. The Panel acknowledges however that the scheme will impact negatively on some residents.'*

## **DETAILS OF ANY ALTERNATIVE OPTIONS**

The Council has the principle choice whether maintain current levels of entitlement to Council Tax Benefit and to pay for the shortfall in funding from central government or to pass on some or all of the reductions in government funding to working age people who have previously received Council Tax Benefit. These options were set out in the July Policy & Resources report.

There are a number of ways the council could change the Council Tax Benefit scheme to achieve the level of savings required. The main alternatives were set out in the report to cabinet on 12<sup>th</sup> April. The Overview & Scrutiny draft recommendations notes *'Within the budget and time constraints, the Council Tax Support Scheme cannot be significantly improved. The Panel acknowledges however that the scheme will impact negatively on some residents.'*

In terms of the percentage of liability at which low income discount is calculated (91.5%) consideration was given as to whether this value should be calculated on a universal gross percentage (one that would allow the council to meet the criteria for the transitional funding) or whether the percentage should reflect the net liability after other discounts, for example single person discount, had been applied. One of the significant factors in making this decision is the technical risk of either option. Information from software suppliers indicate the gross option would contain a far higher degree of risk in terms of our ability to deliver.

**Proper Officer:**

Date: 30/11/2012

Mark Wall, Head of Democratic Services

**Signed:**



## **CALL-IN FOR SCRUTINY**

Note: This decision will come into force at the expiry of 5 working days from the date of the meeting at which the decision was taken subject to:

- (i) any requirement for earlier implementation of the decision or,
- (ii) the decision being called in for review by 5 Members from two or more Groups represented on the Council.

