

DECISION-MAKER:	CHIEF FINANCIAL OFFICER		
SUBJECT:	COUNCIL TAX REDUCTION – AMENDMENT TO 2014/15 SCHEME		
DATE OF DECISION:	23 JANUARY 2014		
REPORT OF:	REVENUE & BENEFITS MANAGER		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

None.

BRIEF SUMMARY

The Southampton Council Tax Reduction Scheme 2014 was agreed by the Council on 16 January 2013. This report recommends changes to that agreed scheme to implement subsequent legislative changes and to take account of the annual benefits uprating.

RECOMMENDATIONS:

- (i) To approve for the year 2014/5 and subsequent years the amended Southampton City Council Tax Reduction Scheme as set out in Appendix 1.

REASONS FOR REPORT RECOMMENDATIONS

1. The Southampton Council Tax Reduction Scheme requires amendment to implement legislative changes and to take account of the annual benefits uprating.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Various scheme options have been modelled and reviewed by the Chief Financial Officer following consultation with the Cabinet Member for Resources, but there have been no recommendations for substantive change to the adopted scheme. One option was the subject of a motion proposed by Cllr Vinson to Council on 20 November 2013 but this was not taken forward due to the financial impact in the absence of any additional Government grant.

DETAIL (Including consultation carried out)

3. Council Tax Benefit was abolished with effect from 1 April 2013 and replaced by local Council Tax Reduction Schemes (CTRS). The Council commenced consultation on a draft scheme in September 2012 and an Equality and

Safety Impact Assessment was prepared. The draft scheme was based on the Government Default Scheme (i.e. substantially the same as Council Tax Benefit) but with a 25% reduction in the support given (termed a 25% baseline reduction).

4. In November 2012 the Government announced that a transitional grant would be made available for 2013/14 only to authorities which implement “well designed schemes”. Well designed in this context meant a scheme that:
 - Restricted any cut for people on full benefit to 8.5%
 - Limited the taper to 25% or less
 - Avoided a sharp reduction in benefit for those entering work.
 - Did not impose large increases in non-dependant deductions.

If the Council were to introduce a scheme that complies with these criteria it would be eligible for a one-off grant in 2013/14 of £378,847.

5. As a result two schemes were approved by Council on 16 January 2013. The first for the year 2013/14 was compliant with the terms of the transitional grant. The second, for 2014/15 and subsequent years, is a 25% baseline reduction scheme.
6. It was recognised that the 2014/15 scheme would need to be amended prior to its implementation in April 2014 to take account of legislative change and the annual uprating of benefits. The Chief Financial Officer (then the Head of Finance and IT) was therefore given the delegated authority following consultation with the Head of Legal, HR and Democratic Services and the Cabinet Member for Resources to: “make any subsequent changes necessary to the adopted Scheme to give effect to the requirements of any Act, Regulations or Statutory Guidance enacted or published after the date of adoption.”
7. The amended Southampton City CTRS is set out in Appendix 1. The main changes are:
 - a) To comply with the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013.
 - b) To make equivalent changes to the scheme provisions for people who are not pensioners.
 - c) To incorporate the changes to social security benefit rates announced by the Minister of State for Pensions in an oral statement to the House of Commons on 9 December 2013 into the scheme for non-pensioners.

RESOURCE IMPLICATIONS

Capital/Revenue

8. The financial implications of the main scheme were covered in the report to Council on 16 January 2013, and there are no substantive changes other than the impact of the rise in Council Tax for 2014/15. The changes set out in this report in paragraph 7 have limited impact.

Property/Other

9. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

10. The requirement to introduce a local Council Tax Reduction scheme is contained in the Local Government Finance Act 2012 and the detailed requirements of the schemes are contained in regulations.

Other Legal Implications:

11. In designing schemes authorities have a number of statutory responsibilities, including:

- The Equality Act 2010;
- The Child Poverty Act 2010;
- The Armed Forces covenant;
- Housing Act 1996

These responsibilities were taken into account when the CTRS was approved in January 2013 and there is nothing in the amendments proposed that conflicts with these responsibilities.

POLICY FRAMEWORK IMPLICATIONS

12. This change is consistent with, and not contrary to, the Council’s Policy Framework.

KEY DECISION? Yes/No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Amended Southampton Council Tax Reduction Scheme 2014
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Documents In Members’ Rooms

1.	None.
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at: Revenues and Benefits Client Unit, Civic Centre, Southampton, SO14 7NR

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	Southampton Council Tax Reduction Scheme 2014 (as approved in January 2013)	
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