

DECISION-MAKER:	CHIEF FINANCIAL OFFICER		
SUBJECT:	COUNCIL TAX REDUCTION SCHEME 2015		
DATE OF DECISION:	30 JANUARY 2015		
REPORT OF:	REVENUES AND BENEFIT CLIENT OFFICER		
<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 2015-6 and subsequent years the amended Southampton City Council Tax Reduction Scheme

REASONS FOR REPORT RECOMMENDATIONS

1. The Southampton Council Tax Reduction Scheme requires amendment to implement prescribed government regulations and to take account of the uprating to the social security benefit rates that will apply from April 2015

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. There have been no recommendations for substantive change to the adopted scheme, other than to implement the required legislative changes set out in this report.

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 and subsequent year’s scheme would need to be amended prior to its implementation in April 2014 and each April thereafter to take account of legislative change and the annual uprating of benefits
7. 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.”
8. The main changes are;
 - To comply with Statutory Instrument 2014 No. 3312 the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (no.2) Regulations 2014 (Appendix 1)
 - Where the above regulations only apply to people defined as pensioners to make equivalent changes to the scheme provisions for people who are not pensioners.
 - To incorporate the changes to social security benefit rates announced by the Minister of State for Pensions in his written statement to Parliament on 4 December 2014 into the scheme
9. The statutory instrument and social security benefit rate changes uprate matters that must be in each scheme. The amendments increase a large number of figures which are used in calculating whether a person is entitled to a reduction and the amount of that reduction. The uprated figures relate to;
 - non-dependent deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependents of the applicant);
 - the applicable amount in relation to an applicant for a reduction (the amount against which an applicant’s income is compared in order to determine the amount of reduction to which he or she is entitled);
 - the income bands in relation to which the amount of a person’s alternative maximum council tax reduction is calculated
 - and a disregard that applies when calculating a person’s income.

10. The amended 2015 scheme will be available to view on the council's website

RESOURCE IMPLICATIONS

Capital/Revenue

11. These were all considered in the report to Council on 16 January 2013 and there are no changes as a result of the amendments to the scheme set out in this report

Property/Other

12. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. 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:

14. 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

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

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	None	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Statutory Instrument 2014 No. 3312 the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (no.2) Regulations 2014	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None	