

# FAREHAM

## BOROUGH COUNCIL

### Report to Council

#### 14 December 2017

*Subject:* **Council Tax Support Scheme 2018-19**

*Report of:* **Managing Director of Fareham Housing**

#### **SUMMARY**

This report sets out a recommended Local Council Tax Support scheme for adoption by the Council. This scheme will operate from 1 April 2018.

#### **RECOMMENDATION**

It is recommended that the Council approves:

- a) the Council Tax Support scheme; and
- b) that delegated authority is given to the Managing Director of Fareham Housing to make any necessary minor amendments and to publish the final scheme prior to 01 April 2018.

## BACKGROUND

1. The national Council Tax Benefit scheme was abolished by Central Government on 31 March 2013. Under that scheme, claimants on low incomes could get up to 100% of their council tax paid and Central Government reimbursed local authorities for this expenditure via the Council Tax Benefit subsidy arrangements. Since 1 April 2013, all billing authorities have been responsible for developing their own means-tested schemes, called Local Council Tax Support, to assist working-age people on low incomes pay their council tax. The Government has continued to prescribe in legislation the support to be provided to pensioner-age claimants.
2. In introducing the changes, Central Government reduced the overall level of funding and this funding is now provided through the Revenue Support Grant to local councils rather than by direct reimbursement for costs incurred.
3. For 2013/14 Fareham Borough Council agreed, following public consultation, the following principles:
  - Every working-age claimant should pay something towards their Council Tax – maximum support was therefore reduced from 100% to 91.5%
  - The scheme should protect the most vulnerable claimants therefore providing the same level of assistance as the previous Council Tax Benefit Scheme
  - Make work pay by increasing the amount of income that working-age claimants can earn before it affects their level of Council Tax Support
  - Provide extra financial support to those suffering genuine hardship as a result of the changes
  - Provide funding to Fareham Citizens Advice Bureau to employ a Budgeting Advisor to assist claimants affected by the changes
4. For subsequent years and following public consultation, the Council agreed and implemented a scheme with the following principles:
  - Every working-age claimant should continue to pay something towards their council tax - maximum support was reduced from 91.5% to 80%
  - The amount of Council Tax Support to be capped to a Band C for those claimants living in larger properties
  - All non-dependents (such as adult sons or daughters living in the claimant's property) should pay something towards the household's council tax bill
  - Continue to incentivise work by keeping the amount of income that working-age claimants can earn before it affects their Council Tax Support at the levels agreed for 2013/14
  - The scheme should continue to protect the most vulnerable claimants and provide additional financial support and budgeting advice to those suffering genuine hardship

## **PROPOSED COUNCIL TAX SUPPORT SCHEME 2018/19**

5. For 2018/19, it is proposed to retain the key principles detailed above and to administer an unchanged scheme.

### **FINANCIAL IMPACT**

6. There are currently 4364 households in the borough receiving Council Tax Support and the expected cost of support for the current financial year is £3.6 million. The caseload and associated expenditure can be seen below:

	Number of claimants	Cost of Council Tax Support
Pension-age caseload	2257	£1,970,446.88
Working-age caseload (vulnerable group)	777	£738,346.79
Working-age caseload (employed)	491	£264,122.55
Working-age caseload (other*)	839	£602,514.61
Total	4364	£3,575,430.83

\*In receipt of an out-of-work benefit such as Job Seekers Allowance or Income Support

7. It is anticipated that an unchanged Council Tax Support scheme for 2018/19 will continue to be contained within available resources.

### **IMPACT ON CLAIMANTS**

8. The proposed scheme for 2018/19 will provide the same level of assistance and protection as the current scheme.

### **PROPOSED SCHEME FOR 2018/19**

9. Members are invited to review the summary of the proposed scheme which can be seen at Appendix A and consider the proposals to agree a Local Council Tax Support scheme for 2018/19.

#### **Appendices:**

Appendix A - Council Tax Support Scheme Summary 2018/19

#### **Contact:**

For further information please contact Caroline Newman (Ext: 4645)