

	REPORT TO CABINET TO BE HELD ON 12 SEPTEMBER 2017	
	Topic	Local support for Council Tax (LSCT)
Corporate Priority Building prosperous communities	Task Group	Welfare Reform/LSCT
	Cabinet Portfolio Holder	Cllr Sandra Turner Cabinet Member for Democracy, Safer and Stronger Communities

REPORT OF: DIRECTOR (LD) – 17/184

WARDS AFFECTED: All

**SUBJECT: LOCAL SUPPORT FOR COUNCIL TAX (LSCT)
SCHEME 2018/19**

RECOMMENDATION (S):

Members are asked to note the contents of the report and:

- Approve the LSCT local scheme for 2018/19 in accordance with Schedule 1A Section 13A of the Local Government Finance Act 1992 (Council Tax Reduction Schemes) with no amendments to the current scheme. This means the scheme will retain the following main elements
 - Maximum liability of 87.5%
 - All other elements of the 2017/18 LSCT scheme are retained in the 2018/19 LSCT scheme
 - An Exceptional Hardship scheme to continue.

REASON FOR RECOMMENDATION (S):

The Council approved and implemented a one year LSCT scheme for 2017/18 and has to agree and set a scheme for providing support for Council Tax in 2018/19 by 31 January 2018. This means that approval will be sought from full Council on 6 November 2017.

The decision will form part of the overall budget-setting process and in designing a scheme due regard has been given to achieving a balanced budget whilst trying to achieve a fair and equitable scheme for the overall benefit of the Borough, it's residents and effects on the local economy.

HIGHLIGHTED RISKS:

The financial risks associated with LSCT are considerable and there are a number of assumptions and estimated data necessarily used in calculations including:

- The level of people claiming LSCT will not increase significantly above estimated caseload profile
- People will still have the financial means to pay a proportion of Council Tax as well as meeting their other commitments and living needs
- Overall Council Tax collection rates will not significantly decrease
- A risk matrix is attached as Annex A.

1. INTRODUCTION

1.1 The Council introduced a LSCT scheme in 2013/14 which was designed to meet a number of objectives as follows:

- Existing pension-age Council Tax Benefit (CTB) claimants (and rising pensioners) would be fully protected at previous Council Tax Benefit levels;
- Consideration would be given for assisting vulnerable groups aiming to mitigate child poverty, prevent homelessness, assist disabled people and comply with the armed forces covenant as well as work incentives;
- The overall cost of the LSCT scheme would be within budget limitations

1.2 Subsequent Schemes approved have tried to match these objectives.

2. CORPORATE OBJECTIVES AND THE COMMUNITY PLAN

2.1 Of the Council's 5 key themes, Council Tax support is directly linked to Prosperous Communities in that it helps to promote a strong economy and assists financial inclusion and the need to improve employment opportunities and skill levels.

3. BACKGROUND AND ISSUES

3.1 The Welfare Reform/LSCT working group has met to consider the options and financial implications for the 2018/19 LSCT scheme and decided to recommend an unchanged scheme from 2017/18.

4. CONSULTATION

4.1 Not required as no changes proposed

5. ASSESSMENT

5.1 Based on latest financial and caseload projections plus Council Tax collection rates (especially those residents entitled to LSCT) a continuation of the 87.5% Council Tax maximum liability ceiling is recommended.

6. IMPLICATIONS

- 6.1 The financial implications are centred mainly around Council Tax collection and associated costs. The lower the maximum Council Tax liability used within the LSCT scheme the more difficult it is to collect charges leading to increased administration costs.
- 6.2 The legal implications include insertion of the Council's LSCT in Section 13A of the Local Government Finance Act.
- 6.3 There are no separate Staffing Implications, Planning Implications, Crime and Disorder Implications, Health and Safety implications, or Environmental implications.

7. ACTION PLAN

23 May 2017
12 September 2017
06 November 2017

Met LSCT working group
LSCT to Cabinet
LSCT to Full Council



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Background Papers:
None

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