

<b>People Select Committee</b>
<b>Review of Local Council Tax Support Scheme (LCTSS) for Working Age Residents – Reporting-in Review</b>
<b>Outline Scope</b>

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<b>Which of our strategic corporate objectives does this topic address?</b>	
<p>The review will contribute to the following Council Plan 2019-22 themes and objectives:</p> <p><u>Strong Communities</u></p> <ul style="list-style-type: none"> <li>• Provide financial advice and support to our communities.</li> </ul> <p><u>Our Council</u></p> <ul style="list-style-type: none"> <li>• Deliver a balanced and sustainable medium term financial plan.</li> <li>• Maximise and safeguard income for the Council.</li> <li>• Continue to improve the efficiency and effectiveness of our services</li> </ul>	
<b>What are the main issues?</b>	
<p>As part of the 2010 Spending Review, the Coalition Government announced its intention to localise support for Council Tax from 2013-2014 and to reduce expenditure on this benefit by 10%, representing a saving of £414m for central Government excluding implementation costs.</p> <p>In April 2013, Council Tax Benefit (CTB), which provided help for low-income households with their Council Tax, was abolished. In its place, Local Authorities in England were charged with designing their own Local Council Tax Support (LCTS) schemes for those of working age though they were obliged to provide a centrally determined (and largely protected) level of support for pensioners. The scheme for pensioners cannot be changed as it's a nationally prescribed scheme.</p> <p>With reduced funding made available to them by central government, most Local Authorities</p>	

chose LCTS schemes that were less generous than the CTB system they were replacing, with some low-income households having to pay Council Tax for the first time, and others seeing their tax liabilities increase. (*Institute for Fiscal Studies*)

As the Local Government Finance Act imposed a duty upon Councils to adopt a LCTS Scheme Members considered a number of options for Stockton's LCTS scheme and, following public consultation, agreed on the "shared reduction" option whereby all working age claimants pay a minimum contribution of 20% of their Council Tax charge. The LCTS scheme mirrored to a large extent the prescribed scheme for pensioners as well as that of the Housing Benefit Regulations however since the introduction of the LCTS scheme changes to those schemes are no longer reflected within the current LCTS scheme.

It is proposed to review Stockton's scheme for working age customers, including consideration of the impact on both customers and the Council. It is proposed that it will reconsider the structure of the current scheme and how Universal Credit is impacting on the assessment and, the award of levels of support towards Council Tax that can be provided in future years.

The review will assess the current Council Tax collection rates for working age customers in receipt of Local Council Tax Support and consider the impact of any changes to the scheme on Council finances. It is proposed that any changes will be introduced from April 2021.

**What are the key lines of enquiry:**

What is the national policy and implications for local authorities?

Council's response to introduction of Local Council Tax Support Scheme – what was the financial impact on Council before and after implementation?

What does Stockton-on-Tees Local Council Tax Support Scheme look like:

- What is the policy?
- How is support claimed?
- What is the assessment process?
- What is the relationship with Universal Credit and other benefits and discounts? Are these taken into account? How does the system respond to changes in customers circumstances?

How many within the Borough currently qualify for Council Tax Support – how has this changed over time? What are the future projections?

What is the collection rate? How much does it cost the Council to collect Council Tax due from CTS customers?

What feedback has there been on the impact of the current scheme? How have customers and their families been affected? How many customers raise concerns? What is the approach towards those who cannot / will not pay (e.g. other support mechanisms, enforcement)?

What approaches have been taken by other Local Authorities?

Options appraisal for changes to the current scheme – potential impact on individuals, departmental services and the Council overall? What are the implications on the software provider, can the IT system support the changes to the current scheme? Is there an opportunity for a sliding scale - minimum of contribution / banded / discount scheme?

What consultation / communication process will be required should changes to the scheme be proposed?

<b>Who will the Committee be trying to influence as part of its work?</b>	
Cabinet and Council	
<b>Expected duration of review and key milestones:</b>	
Development of options for consultation – 6 months (reporting to Cabinet in September 2020) Followed by public consultation in 2020 (if significant changes to the scheme are proposed) Final agreement of new Council Tax Support Scheme for implementation April 2021	
<b>What information do we need?</b>	
<i>Existing information (background information, existing reports, legislation, central government documents, etc.):</i>	
<ul style="list-style-type: none"> <li>• House of Commons Library – Council Tax Reduction Schemes (June 2017)</li> <li>• MHCLG - The Government response to an Independent Review of Local Council Tax Support Schemes (January 2018)</li> <li>• SBC – The Council Tax Reduction Scheme 2019-2020</li> <li>• Outline of current Council Tax Support Scheme</li> </ul>	
<i>Who can provide us with further relevant evidence? (Cabinet Member, officer, service user, general public, expert witness, etc.)</i>	<i>What specific areas do we want them to cover when they give evidence?</i>
Local Authority – Revenue and Benefits including Welfare Rights, Finance, Customer Services	SBC’s policy and delivery of Local Council Tax Support. Linked to the Digital Optimisation Scrutiny Review, improving the customer journey Alternative approaches to developing a policy and delivery, including “banded” schemes
Stockton District Advice and Information Service (SDAIS)*	Impact on claimants and families
Other members of Infinity( Financial Inclusion) Partnership*	[As above]
*to be included as part of the public consultation process	
<b>How will this information be gathered? (eg. financial baselining and analysis, benchmarking, site visits, face-to-face questioning, telephone survey, survey)</b>	
Meetings, research, benchmarking, engagement with Infinity Partnership members.	
<b>How will key partners and the public be involved in the review?</b>	
Partners in the voluntary and community sector will be involved as outlined above.	

Public consultation will be required before any significant changes are made to the Council's Scheme. It is proposed that this will take place following the Committee's recommendations, and prior to final agreement of the Scheme at Council.

Consultation has previously included surveys, community engagement, and partnership meetings eg. Infinity Partnership

**How will the review help the Council meet the Public Sector Equality Duty?**

The review will consider impact of the Council Tax Support Scheme and whether potential changes would promote the aims of preventing discrimination for those with Protected Characteristics (including – but not limited to – age, gender, disability, ethnicity), and advance equality of opportunity for those with Protected Characteristics

**How will the review contribute towards the Joint Strategic Needs Assessment, or the implementation of the Health and Wellbeing Strategy?**

Financial security and inclusion impacts upon health and wellbeing. The new Health and Wellbeing Strategy contains the priority for 'All people in Stockton-on-Tees to live in healthy places and sustainable communities'. The review will consider the impact on claimants regarding this specific welfare policy, and the range of advice and support available.

**Provide an initial view as to how this review could lead to efficiencies, improvements and/or transformation:**

This review would provide recommendations on the performance of the current LCTSS, and a view on the impact of any changes.

This would inform Council decision making ahead of making changes to the Scheme from April 2021.

<b>Project Plan</b>
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<b>Key Task</b>	<b>Details/Activities</b>	<b>Date</b>	<b>Responsibility</b>
<b>Scoping of Review</b>	Information gathering	Prior to Tri- partite meeting	Scrutiny Officer Link Officer
<b>Tri-Partite Meeting</b>	Meeting to discuss aims and objectives of review	28 June 2019	Select Committee Chair and Vice Chair, Cabinet Member(s), Director(s), Scrutiny Officer, Link Officer
<b>Agree Project Plan</b>	Scope and Project Plan agreed by Committee	8 July 2019	Select Committee
<b>Publicity of Review</b>	Determine whether Communications Plan needed	Stockton News Article on new review topics	Link Officer, Scrutiny Officer
<b>Obtaining Evidence</b>	Background briefing	8 July 2019	Select Committee
	Impact on the Council	9 September 2019	Select Committee
	Impact on claimant	7 October 2019	Select Committee
	Briefing Session: Recap on context and background and approaches by other Local Authorities	14 August 2020	Select Committee
<b>Options appraisal presented to Members</b>	Review options and consultation proposals	26 August 2020	Select Committee
<b>Mid point Tri-Partite Meeting</b>	Meeting to discuss options and proposals for public consultation	8 September 2020	Select Committee Chair and Vice Chair, Cabinet Member(s), Director(s), Scrutiny Officer, Link Officer
<b>Consultation Proposals presented to Cabinet</b>	Presentation of consultation proposals	17 September 2020	Cabinet
<b>Public Consultation on revised Scheme</b>	12 weeks Public Consultation	18 September – 12 November 2020	
<b>Agreement of Final Report</b>	Select Committee consider and comment on final	23 November 2020	Select Committee, Cabinet Member, Director in

**Appendix 1**

	scheme		attendance)
<b>Tri-partite Meeting</b>	Meeting to discuss findings of consultation and final recommendations	November 2020	Select Committee Chair and Vice Chair, Cabinet Member(s), Director(s), Scrutiny Officer, Link Officer
<b>Cabinet</b>	Consideration of Final Report	17 December 2020	Chair / Cabinet
<b>Council</b>	Agreement of revised Local Council Tax Scheme	27 January 2021	Council