

BRECKLAND DISTRICT COUNCIL

Report of: Paul Claussen, Executive Member Place

To: Cabinet, 4 September 2018

Author: Christine Marshall, Executive Director Commercialisation

Subject: Review of the Local Council Tax Reduction Scheme (LCTRS) for 2019-20

Purpose: To consider options for the Local Council Tax Reduction Scheme (LCTRS) for 2019-20

Recommendation(s):

- 1) That the Local Council Tax Reduction Scheme (LCTRS) for 2019-20 remains unchanged from the current scheme.

1.0 BACKGROUND

- 1.1 Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). This report advises Cabinet about the officer conclusion of the 2018 annual review.
- 1.2 The current Breckland LCTRS scheme provides a maximum benefit of 91.5% discount for working age claimants and our scheme also protects War Pensioners. The aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back into work whilst setting the amount charged at an affordable and recoverable level. By setting the amount payable at 8.5% of the charge, in most cases, where a customer is not paying, we can affect recovery through attachment to benefit within a year and so the charge with costs is recoverable. If the amount payable was set higher, then it is possible the debt would not be recoverable and possibly create a culture of non-payment of Council Tax.
- 1.3 Cabinet in November 2017 and Full Council in December 2017 approved some changes to the LCTRS scheme, such as uprating benefit rates used under LCTRS to align with Housing Benefit and the Prescribed scheme for Pensioners, full details can be found in the minutes at <http://apps03:9070/ieListDocuments.aspx?CId=117&MId=4051&Ver=4>
- 1.4 Councils are required to review their LCTRS schemes annually. Where it is determined to retain the existing scheme this must be decided by 11 March of the preceding year. Where Councils seek to amend their scheme it will be necessary to consult preceptors and stakeholders prior to a consultation to inform a final scheme design by 28 February of the preceding year. Therefore work on any amendments would need to start around summer time each year to allow sufficient time to consult, approve and implement changes prior to 28 February.
- 1.5 Increasing the contribution rate to more than 8.5% - the possible increase in Council Tax collected for the Council - is considered to be less than the additional costs of recovery (additional staff, postage and enquires to customer services), including the inability to recover the debt in year by deduction from DWP benefits and therefore this is not recommended.

1.6 The existing scheme has provision to incorporate DWP welfare reforms and to uprate allowances etc in line with DWP so as to achieve harmonisation with the prescribed national LCTRS scheme for Pensioners as well as HB. We have reviewed the existing scheme and are recommending that it does not change for 2019-20.

2.0 OPTIONS

2.1 That the Local Council Tax Reduction Scheme (LCTRS) for 2019-20 remains unchanged from the current scheme.

2.2 Do nothing.

3.0 REASONS FOR RECOMMENDATION(S)

3.1 The changes made to the current scheme have worked well – harmonising to DWP welfare reforms and uprating, as well as removing the stipulation that customers must make a separate claim for Council Tax Support when claiming Universal Credit, thereby making the scheme combatable with the introduction and planned expansion of Universal Credit.

4.0 EXPECTED BENEFITS

4.1 Continuing with the existing scheme enables compliance with DWP benefits and the introduction and planned expansion of Universal Credit.

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.12 Stakeholders / Consultation / Timescales

5.12.1 Consultation is not required if the scheme does not change for 2019-20.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 All.

7.0 ACRONYMS

7.1 DWP – Department for Work & Pensions

7.2 HB – Housing Benefit

7.3 LCTRS – Local Council Tax Reduction Scheme

Background papers:-

[See The Committee Report Guide for guidance on how to complete this section](#)

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report: None