

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

23 September 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision

1 BENEFITS UPDATE AND COUNCIL TAX REDUCTION SCHEME

A report advising Members of current issues arising in the benefits field, and seeking agreement to a 'refresh' of the existing Council Tax Reduction Scheme in preparation for the financial year 2016/17.

1.1 Performance and Workload of the Benefits Service

- 1.1.1 The average number of days taken to process new claims for housing benefit over this financial year is 14.2 days. Changes in circumstances are taking an average of 7.1 days.
- 1.1.2 The number of households claiming housing benefit in the Borough has fallen by 26 since the beginning of the financial year; those claiming council tax support have reduced by 79.
- 1.1.3 Workload remains high, largely due to the continuation of the monthly Real Time Information (RTI) data-matching initiative. This national exercise compares data used in housing benefit calculations to that held by the tax office. Mismatches are electronically referred from the Department for Work and Pensions (DWP) to the Council. The data relates to differences in pay or pensions and some cases stretch back over many years generating large overpayments of benefit.

1.2 Universal Credit

- 1.2.1 Universal Credit is due to go live in the Tonbridge & Malling area with effect from 12 October 2015 when the new benefit will be rolled out for single working age claimants only. My officers are attending meetings with staff from Job Centre Plus to develop how the benefit will be introduced and work in the Borough.
- 1.2.2 The introduction of Universal Credit (UC) is to address complexity in the benefits system and ensure that 'work does pay'. It replaces a range of working age benefits (such as Working Tax Credit, Child Tax Credit, Income Support, Income related Jobseeker's Allowance, Income related Employment and Support Allowance and Housing Benefit). The Department for Work and Pensions will have overall responsibility for implementing Universal Credit.

- 1.2.3 We will continue to deliver housing benefit to pensioners and all other benefit recipients not currently in receipt of UC.
- 1.2.4 The timetable for the further rollout of UC has not yet been confirmed.

1.3 Welfare Reform Budget Changes

- 1.3.1 At the last meeting of the Advisory Board, I advised Members of the key welfare reforms that were being brought forward following the Chancellor's Summer Budget and promised to provide a more detailed analysis.
- 1.3.2 Attached at **[Annex 1]** for Members' information is a table highlighting the main changes and the potential impact on claimants within Tonbridge & Malling.

1.4 Council Tax Reduction Scheme

- 1.4.1 Council adopted, at its meeting on 21 November 2012, a council tax reduction scheme for the Tonbridge and Malling area which came into effect for the first time on 1 April 2013. The scheme has been 'refreshed' annually for data changes, but the core elements remain as were originally agreed.
- 1.4.2 The scheme is 'underpinned' by the Kent-wide agreement, which recognises that all the Kent districts will seek to have a common 'platform' for their reduction schemes. In return, the major precepting authorities (Fire, Police and the County) agreed to pay to each district council an 'administration fee' of £125,000 each year, for three years, to assist with the costs of delivering and managing the scheme.
- 1.4.3 Members will note that the three year agreement period will cease at the end of 2015/16. However, as a result of other national welfare changes taking place - as well as the significant consultation process and timescale that would be needed in order to review the scheme - it has been agreed with Kent County Council, Kent Police and Kent Fire & Rescue that the scheme will effectively 'roll on' for one more year (i.e. 2016/17).
- 1.4.4 By rolling the scheme on for one more year into 2016/17, this means that entitlement will continue to be calculated using the methodology of the former council tax benefit scheme with a final reduction of 18.5% being applied to the resultant entitlement.
- 1.4.5 In order to maintain the link to the former council tax benefit scheme, the Scheme will need to be 'refreshed' again to reflect data relevant to the new financial year. Members are advised that there are changes to the Housing Benefit regulations following national welfare reform announcements that I do not propose to mirror in our Council Tax Reduction Scheme as I believe these would require a consultation to be triggered before the end of the year. These changes include timescales for backdating of claims and the abolition of the family premium, which are being significantly changed in the Housing Benefit Regulations. The data

updating changes I propose to incorporate in our refreshed Scheme are relatively minor and do not require a consultation to be triggered.

1.4.6 The 'refreshed' Scheme for 2016/17 will be published again on our website.

1.4.7 However, it is appropriate that we review the scheme in the near future and, accordingly, my colleagues across Kent have agreed that a comprehensive review of the current Council Tax Reduction Scheme should take place for the 2017/18 financial year. This will require a consultation to take place during 2016.

1.5 Legal Implications

1.5.1 The Council, in accordance with the provisions of Schedule 1A to the Local Government Finance Act 1992 (inserted by Schedule 4 to the Local Government Finance Act 2012), determined a council tax reduction scheme which came into effect from 1 April 2013.

1.5.2 The Scheme incorporates the core methodology of the Council Tax Reduction (Default Scheme) (England) Regulations 2012, applying similar criteria to the current Housing Benefit Regulations. Therefore the Scheme will be 'refreshed' for 2016/17 taking on board relevant adjustments to the Housing Benefit Regulations and the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations and associated Statutory Instruments. The Statutory Instrument relevant to the financial year 2016/2017 is awaited.

1.6 Financial and Value for Money Considerations

1.6.1 Resources and performance will continue to be monitored to ensure the service operates in an efficient and cost effective manner.

1.6.2 Costs of consultation in readiness for a 2017/18 scheme will be taken into account in preparing the Budget for 2016/17.

1.7 Risk Assessment

1.7.1 It is not considered that there are risks in rolling forward the Scheme into 2016/17. I do not believe that the minor changes we propose to make to refresh the scheme trigger the need for a consultation.

1.7.2 A consultation will be required during 2016 if the council chooses to fundamentally review the Scheme, and this will be factored into the Service's work programme.

1.8 Equality Impact Assessment

1.8.1 The decisions recommended through this paper regarding 2016/17 have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Policy Considerations

1.9.1 Customer Contact

1.10 Recommendations

1.10.1 Members are **REQUESTED** to **RECOMMEND** to Cabinet that:

- 1) the existing Council Tax Reduction Scheme be refreshed in readiness for the financial year 2016/17 and published on the Council's website;
- 2) the Director of Finance & Transformation be authorised to enter into discussions with Kent County Council and Kent District Council colleagues regarding a fundamental review of the scheme for 2017/18.

Background papers:

Nil

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