

**TO: THE MONITORING OFFICER  
(TOM CLARK, SOLICITOR TO THE COUNCIL)**

**RECORD OF ACTION TAKEN BY A CABINET MEMBER  
UNDER DELEGATED POWERS**

<b>Subject:</b> To seek member approval for the delay of a banded income scheme for Council Tax Support.	
<b>Cabinet Member:</b> Councillor Judy Llewellyn-Burke	
<b>Has the Cabinet Member received a report prior to making the decision?</b>	<b>Yes</b>
<b>In the case of a key decision where the Cabinet Member has received a report, please state the date a copy of the report was made available to the Chair of the relevant Scrutiny Committee and placed in the public domain:</b>	<b>N/A</b>
<b>Record of decision taken:</b> It is recommended to:  (i) Delay the introduction of a banded income scheme for Council Tax Support for 1 year until 2020/21.	
<b>Date of decision:</b> tbc	
<b>Statement of reasons for making the decision:</b> The purpose behind delaying the introduction of the banded income scheme for one year is to give time to introduce it properly including the consultation and also fully see the impact that the introduction of Universal Credit has on our Benefits and Council Tax Support Scheme.	
<b>Alternative options considered and rejected:</b> The only other alternative is to introduce a banded income scheme for the 2019/20 year but this would be rushed and will not give it time to be properly and correctly introduced. To leave the scheme as now would cause a burden to the Council's Benefits Service with the number of changes required with the monthly change of Universal Credit income. We do however expect a slow take up of Universal Credit so there is expected to be no huge impact on Council Tax Support in the next 12 months.	
<b>Code of Conduct Interest of Cabinet Members?</b> If yes, please advise on the nature and whether dispensation in place. <b>No.</b>	
<b>Is the decision to be protected from call-in? (i.e if any delay would seriously prejudice the Council's or the public's interest) - see Scrutiny</b>	<b>No</b>

Procedure Rule 14 (M)	
If so, please state:	

Signed:..... *Judy Hewellyn-Burke* .....  
 Cabinet Member

This record must be forwarded immediately to the Monitoring Officer (TC) and copied to the relevant Cabinet Member.

For Monitoring Officer

Date of publication of Member Information Service Bulletin	tbc
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Date of decision can be implemented (on the Thursday after publication of the Member Information Service Bulletin, unless already protected from call-in)	Tbc
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## **DELAY OF INTRODUCING A BANDED INCOME SCHEME FOR COUNCIL TAX SUPPORT**

**REPORT OF:** BUSINESS UNIT LEADER REVENUES AND BENEFITS  
**Contact Officer:** Kevin Stewart, Business Unit Leader Revenues and Benefits  
Email: [kevin.stewart@midsussex.gov.uk](mailto:kevin.stewart@midsussex.gov.uk) Tel: 01444 477229  
**Wards Affected:** All  
**Key Decision:** No  
**Report to:** Portfolio Holder for Finance and Performance  
Date 12th June 2018

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### **Purpose of Report**

1. To seek member approval for the delay of a banded income scheme for Council Tax Support.

### **Summary**

2. This report is to seek the delay of amending our Council Tax Support Banded Income Scheme until 2020/21 to ensure it is fully prepared for and we can see the full impact of Universal Credit in the district of Mid Sussex.

### **Recommendations**

3. **The Portfolio Holder for Finance and Performance is recommended to:**
    - (i) **Delay the introduction of a banded income scheme for Council Tax Support for 1 year until 2020/21.**
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### **Background**

4. Council Tax Support Schemes replaced Council Tax Benefit from the 1 April 2013 as part of the Governments overall welfare reform programme.
5. Council Tax Support for older people is prescribed and they can still receive maximum financial assistance if they qualify on income and need of up to 100%.
6. Council Tax Support for people of working age is a local scheme, to be agreed and administered by local Councils such as Mid Sussex DC.
7. Due to the government grant reducing the Council introduced a Council Tax support scheme for people of working age where they pay the first 39% of their Council regardless of their income, including if on Benefit
8. The only exception to this rule is that if they are protected in one of the vulnerable groups e.g. the disabled, single parents with a child under 5 and carers who are not expected to look for work
9. Council Tax Support is currently calculated where a penny change in income will see a change in the amount of Council Tax Support awarded.

### **Current Position**

10. The roll out of Universal Credit went live on the 6 June 2018 in the Mid Sussex area.



11. Universal Credit is a financial assistance system to try to get people back into work (currently 870,000 nationally are in receipt of Universal Credit of which 32% are in employment)
12. Universal Credit can change or is calculated on a monthly basis.
13. With the current Council Tax Support scheme this means there can be at least 12 changes to each case on Universal Credit each year, as a penny change needs an amended award
14. New claims will be reduced for Housing Benefit but the number of changes to be actioned by the Benefits Service will greatly increase with the introduction of Universal Credit.
15. With each change of Council Tax Support a new bill will be issued showing the new charge for the remainder of the year. With payments by direct debit 14 days' notice is required before payment can be taken and in general 14 days' notice will be given for all other payment types although in some cases this can be up to 30 days. Recovery procedures cannot take place until 14 days after an instalment has been missed but as by this point a new bill will have been issued this will mean those who are not making instalments will not have recovery action taken until the end of the financial year when a whole years bill will be due.

#### **The Solution**

16. The solution is introduce a Banded Income Council Tax Support Scheme for people of Working Age, where not every change would impact on the Council Tax payable
17. This would reduce the administrative burden on the Council's Benefits Service, especially with the introduction of Universal Credit.
18. Modelling would be done to ensure that any solution did not add to the current cost for the Council while protecting the most vulnerable residents.

#### **The Issues**

19. The current Academy system is not able to reflect the protection that Mid Sussex DC currently provides to vulnerable groups and would be looking to continue this for the new banded scheme, which will require input from the systems provider
20. The timescales required for consultation, modelling and reporting. Any new scheme requires public consultation, which cannot be rushed.
21. The bringing back in house the Revenues and Benefits Service at Mid Sussex DC after the ending of the CenSus Partnership, which is time consuming and resourceful in itself, will impact on the resources required to introduce a banded income scheme..
22. The need to set up a Council Tax Exceptional Hardship Fund and Policy to protect the vulnerable. A separate Cabinet Portfolio Holder report is being proposed to recommend a new agreed policy for Exceptional Hardship for Council Tax.
23. The need to set any new scheme by the 11 March of that year.



## **Policy Context**

24. The purpose behind delaying the introduction of the banded income scheme for one year is to give time to introduce it properly including the consultation and also fully see the impact that the introduction of Universal Credit has on our Benefits and Council Tax Support Scheme.

## **Other Options Considered**

25. The only other alternative is to introduce a banded income scheme for the 2019/20 year but this would be rushed and will not give it time to be properly and correctly introduced. To leave the scheme as now would cause a burden to the Council's Benefits Service with the number of changes required with the monthly change of Universal Credit income. We do however expect a slow take up of Universal Credit so there is expected to be no huge impact on Council Tax Support in the next 12 months.

## **Financial Implications**

26. The purpose of this report is to seek the delaying of the introduction of a Banded Income Council Tax Support Scheme
27. The cost of bringing in such a scheme in 2019/20, is estimated at £30,625 with annual maintenance costs of £6,125. If purchased with other Local Authority's discounts can be obtained from the system provider. We had negotiated a 20% discount if we had implemented a new scheme at the same time as East Sussex Councils but this will not happen now.
28. There is a risk that the cost may not be so favourable if we delay implementation of the scheme to 2020/21.
29. It is intended that any new scheme is cost neutral to the existing scheme. It will be the same cost as the current scheme. However members may wish to note that there may be individual winners and losers.

## **Risk Management Implications**

30. There is a potential risk to the Council's reputation if the scheme was brought in quickly, without ensuring it was right for the vulnerable residents who could qualify.
31. There is also a potential risk if the scheme is delayed that there may be an additional cost in administering the current Council Tax Support Scheme for Universal Credit customers. This is because they could have monthly changes in income.

## **Equality and Customer Service Implications**

32. There is still planned the same protection with any new Council Tax Support to protect vulnerable groups as now. This policy does not have a negative effect on any vulnerable group. An equality impact assessment has not been undertaken as we are only at this time looking to delay changing the current Council Tax Support Scheme.

## **Other Material Implications**

33. This is a Cabinet Portfolio Holder function.
34. There are no other material implications.





## **Background Papers**

- There are no background papers

