

Community Focus Scrutiny Committee

Date:	Thursday, 9 August 2012
Venue:	Town Hall, St Annes
Committee members:	Councillor Christine Akeroyd (Vice-Chairman and Acting Chairman) Councillors Susan Ashton, Maxine Chew, Fabian Craig- Wilson, Susanne Cunningham, Gail Goodman, Kathleen Harper, Peter Hardy, Paul Hodgson, Barbara Nash, Dawn Prestwich, John Singleton, Vivienne Miller Willder
Officers:	Paul O'Donoghue, Paul Swindells, Marie McRoberts, Annie Womack
Other members:	None
Members of the public:	None

1. Declarations of interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and that any other interests should be declared as required by the Council's Code of Conduct.

There were no declarations.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Community Focus Scrutiny Committee held on 26 July 2012 as a correct record for signature by the Chairman.

3. Substitute members

The following substitutions were reported under council procedure rule 22.3:

Councillor Fabian Craig-Wilson for Councillor Tim Armit

Councillor Susan Ashton for Councillor Nigel Goodrich

Councillor Maxine Chew for Councillor Linda Nulty

4. Local Council Tax Support

Marie McRoberts, Head of Shared Service for Revenues and Benefits, presented a report on the proposed scheme of Local Council Tax Support to replace the existing scheme of Council Tax Benefit.

Ms McRoberts explained that the existing scheme of Council Tax Benefit (CTB) will be abolished as part of the provisions of the Welfare Reform Act 2012 to coincide with the introduction of localised schemes of support for Council Tax (LCTS); and that the proposed replacement scheme was intended to support public spending deficit reduction by reducing the amount available to local authorities to spend by 10% - around £0.5 billion per annum nationally. In relation to Fylde it was estimated that this would be approximately £526K per annum. FBC's share of this would be around £64k with the balance falling on the major precepting authorities.

The new localised scheme must be operational from April 2013 and Councils are required to agree a scheme by the end of January 2013. She advised members that failure to adopt a scheme on time will result in a default scheme being applied resulting in the local authority having to fund the 10% cut in grant.

Ms McRoberts explained that the new scheme would be based on a cash-limited grant, unlike the previous CTB scheme where central government reimbursed local authorities for the benefit awarded. The grant was planned to reduce over the medium term, and would not take into account potential growth in the number of claims. This would require an annual review and could result in changes to the scheme in subsequent years; local authorities should therefore forecast based on anticipated caseload, and factor in a contingency for increasing costs of the scheme.

Members were advised that the lower level of funding will only affect working age households as pensioners must not have any reduction in their existing Council Tax rebate, and local schemes are also expected to protect vulnerable groups. As a result, the savings must be gained from just 46% of the existing caseload.

Ms McRoberts outlined the timetable to implementation, which is very narrow.

She told the committee that it had not been possible to achieve a Lancashire-wide scheme but that there were some broad principles on which all could agree, for example that it should be affordable, fair, understandable, feasible to implement, should incorporate a contingency to allow for growth in the number of claims, and should where possible avoid the costs and risks associated with extensive data collection.

Committee members were then invited to consider the various options as outlined in the report, and ways of maintaining the protections of specific groups which were required. Ms McRoberts also briefed members on the preferred option for the draft scheme. She explained that the proposals would

be subject to a robust Equality Impact Assessment, and that an extensive consultation would take place.

In response to questions, Ms McRoberts confirmed that discussions had been held with the major precepting authorities, who supported the draft proposal.

She also agreed with observations that the scheme could prompt more pensioner claims as it was now a discount and not a benefit, and could therefore increase the costs both of administering and collecting Council Tax.

She confirmed that the consultation would be extensive and would include every working age claimant of the current scheme, roadshow dates, the press and social media, and through Advice Link to 3rd sector organisations. The results of the consultation could be made available to members, via a 2nd Interim Report, before the final report was submitted to Cabinet in November.

In response to further questions, Mr O'Donoghue, Chief Financial Officer and the council's Section 151 Officer, informed the committee that the current in-year Council Tax collection rate for Fylde was 98.5%, and that the new scheme was likely to have an adverse effect on the overall collection rate for Council Tax; that there would be an opportunity to look at the charges for empty properties and second homes in the Borough, and that a report would go to Cabinet in due course.

Members commended officers for the excellent work done on the proposals.

Following the discussion it was RESOLVED:

1. To note the challenging timetable for developing a local Council Tax Support Scheme
2. To note and support the recommended options which currently form the basis of the draft scheme, subject to the outcome of the consultation and final regulations.
3. To ask that the consultation results, collated within a 2nd Interim Report, be forwarded to members to allow them to provide comments to the Chairman and Vice-Chairman of the committee, allowing those comments to be presented to Cabinet for consideration as an adjunct to the final report.
