

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

CABINET

**Minutes from the Meeting of the Special Cabinet held on
Tuesday, 21 August 2012 at 5.30 pm in the Committee Suite, King's
Court, Chapel Street, King's Lynn**

PRESENT: Councillor N J Daubney (Chairman)
Councillors Lord Howard A Lawrence, B Long, Mrs E Nockolds
D Pope and Mrs V Spikings

An apology for absence was received from Councillor A Beales.

CAB62: **URGENT BUSINESS**

There was no urgent business.

CAB63: **DECLARATIONS OF INTEREST**

None

CAB64: **CHAIRMAN'S CORRESPONDENCE**

None.

CAB65: **MATTERS REFERRED TO CABINET FROM COUNCIL
BODIES**

Resources and Performance Panel: 16 August 2012

The Resources and Performance Panel considered the report and made the additional recommendation to Cabinet, which was accepted by Cabinet.

RP41: **Cabinet Report: Local Support For Council Tax (LSCT)
Scheme**

RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet, with an additional recommendation 5 as set out below:

- 1) Note the principles of the LSCT scheme including automatic protection for Pension Age people.
- 2) Agree the following principles for the draft LSCT scheme for Year 1 for public consultation:
 - a) An LSCT scheme that falls within the revised funding allocated by DCLG (Paragraph 4.8).

- b) Protection from any reduction under LSCT for households with a child under 5 and War Pensioners (Paragraph 6.9).
- c) A Hardship Fund being set up funded from additional income raised through Council Tax Technical Reforms (Paragraph 6.9).
- d) A Work Incentive which allows an additional £10 earnings disregard per week (Paragraph 10.6).
- 3) Agree Model B as the draft LSCT Scheme for Year 1 to take to public consultation (Paragraph 9.5).
- 4) Approve an eight week consultation period (Paragraph 12.5).
- 5) Provision for the funding of £75,000 be allocated to add people receiving a disability premium to the category of protected groups.**

CAB66: **LOCAL SUPPORT FOR COUNCIL TAX SCHEME**

Cabinet considered a report, presented by the Revenues and Benefits Manager, which explained that from April 2013 the Government was abolishing the national scheme of Council Tax Benefit and replacing it with provision for locally devised schemes for Council Tax Support (LSCT).

It was explained that Billing Authorities had to devise their own scheme to assist residents in their area on low incomes with the cost of their Council Tax. Funding would still be provided by Central Government but only at 90 per cent of current expenditure on Council Tax Benefit, so Billing Authorities had to decide how to manage this reduction in income and distribute the funds available between its residents. The Government had also set certain other parameters around the scheme to be taken into consideration as follows:

- Support for pensioners must remain the same as under the current CTB scheme
- Other vulnerable groups should be protected, including families with children under 5.
- War Pensioners

Localisation of Council Tax support was also part of a wider set of reforms of the welfare system and should reflect the Government's aims to support people into work:

- Improving the incentives to work, and
- Ensuring resources are used more effectively,
- So reducing worklessness, and
- Ending a culture of benefit dependency

The Police and County Council had indicated that they would wish for any local scheme to be within the funding from Government and did not wish to fund the 10% overall shortfall. The scheme had been developed accordingly. In real terms, taking into account the groups

for which no change could be made, the reduction in funding for those of working age was in the region of 24%.

The report set out three options for consideration by Cabinet which had been developed within the Council's budget, and recommended Option B which consisted of the current scheme of CTB with the following amendments:

- Pensioners are protected
- Households with a child under 5 are protected
- Child Benefit and Child Maintenance are included as income
- Second Adult Rebate is removed
- A Deduction for each non-dependent of £10 is made regardless of their income
- The maximum amount of Capital allowed is £6,000
- No Tariff Income is assumed for capital under £6,000
- Self Employed people are assumed to have an income of at least the minimum wage
- Maximum amount of support is 75% of entitlement compared to the existing CTB scheme

The individual options for change were outlined as set out in section 7 of the report.

Local schemes for Council Tax Support for Year 1 (2013/2014) must be agreed by Members and be in place by 31 January 2013. The Council must consult on a draft LSCT Scheme before deciding the final LSCT Scheme.

Confirmation of a Local Council Tax Support Scheme would be subject to a further report following the completion of the consultation period and would require Council approval.

The Revenues and Benefits Manager explained that the Council had to review its scheme each year, so a further fundamental review would be carried out next year when more time permitted.

The Vice-Chairman congratulated the Revenues and Benefits Manager and her team for the complicated and detailed work which had been carried out in preparing this report, particularly with the considerable pressures which were on the team with the joint working and change in computer systems. This was supported by the Cabinet. In addition, the Chairman also thanked her for keeping him informed of the situation throughout.

The Chairman drew attention to the debate which had been held in the Resources and Performances Panel, which had made a further recommendation as follows:

“That provision for the funding of £75,000 be allocated to add people receiving a disability premium to the category of protected groups.”

Councillor Mrs Nockolds asked whether if the budget fell under what was expected, would the County Council assist. The Chief Executive

explained that a meeting of the Norfolk Revenues Officers was due to consider the issue and This Council was proposing that 50% of the County's share of the technical change money came to the districts. If this was supported then the matter would cascade through Norfolk Leaders, then on to individual authorities for consideration and decision.

Councillor Mrs Spikings drew attention to the fact that the Council was required to carry out such a change, but that not every person would be worse off.

Cabinet supported the additional recommendation proposed by the Panel.

The Chairman drew attention to the typographical error on page 34 to amend the 80% and 20% to 75% and 25%.

- RESOLVED:**
- 1) Note the principles of the LSCT scheme including automatic protection for Pension Age people
 - 2) Agree the following principles for the draft LSCT scheme for Year 1 for public consultation:
 - a. An LSCT scheme that falls within the revised funding allocated by DCLG (Para 4.8)
 - b. Protection from any reduction under LSCT for Households with a Child under 5 and War Pensioners (Para 6.9)
 - c. A Hardship Fund being set up funded from additional income raised through Council Tax Technical Reforms (Para 6.9)
 - d. A Work Incentive which allows an additional £10 earnings disregard per week (Para 10.6)
 - 3) Agree Model B as the draft LSCT Scheme for Year 1 to take to public consultation (Para 9.5)
 - 4) Approve an eight week consultation period (Para 12.5)
 - 5) That provision for the funding of £75,000 be allocated to add people receiving a disability premium to the category of protected groups.

The Meeting closed at 5.48 pm