



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE - 17TH JUNE 2014

SUBJECT: HELP FOR PENSIONERS WITH THEIR COUNCIL TAX

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 This report sets out the new funding arrangements for the 'Help for Pensioners with their Council Tax' Scheme and a range of options in respect of financial years commencing on or after 1st April 2015.

2. SUMMARY

- 2.1 Since 1st April 2009, the Council has administered an annual Welsh Government grant-funded scheme that provides pensioners satisfying certain criteria with assistance towards payment of their council tax. This report contains details of the schemes operated to date, recent changes in the funding arrangements and various proposals as to how the Council could proceed from 1st April 2015 onwards.

3. LINKS TO STRATEGY

- 3.1 The Council's Medium-Term Financial Plan (MTFP) requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
- 3.2 The 'Help for Pensioners with their Council Tax' scheme also links to work around tackling poverty, supporting independent living and supports the 50+ positive action and Equalities agendas. It further links to both the Prosperous and Safer themes of "Caerphilly Delivers", the Local Service Board single integrated plan.

4. THE REPORT

4.1 BACKGROUND

- 4.1.1 For each financial year from 2009/10 onwards, the Welsh Government (WG) has issued a grant to each council tax billing authority in Wales to enable them to provide pensioners satisfying certain criteria with assistance towards payment of their council tax.
- 4.1.2 From 2009/10 to 2012/13 inclusive the WG allowed each billing authority to determine the details of its own scheme within certain guidelines. During these years, Caerphilly CBC adopted a scheme that was followed by the majority of billing authorities in Wales. The scheme involved the following procedures: -

- Identifying persons aged 65 and over as at a specified date (1st October for this Authority) within the given financial year, who were either a council tax liable person or their partner.
- Of these persons, establishing which were in receipt of some council tax benefit but did not receive full benefit (i.e. a 100% reduction).
- Calculating the council tax net liability for these persons, i.e. gross charge less any discounts and/or council tax benefit.
- Awarding a grant of a set amount per household where the net council tax liability equaled or exceeded that amount, or a grant equal to the net council tax liability where it was less than the set amount on the date of determination.
- The grant was applied directly to the pensioner's council tax account.

4.1.3 In respect of 2013/14, WG decided to determine detailed terms and conditions of the specific grant-funded scheme, which had to be applied without exception across all billing authority areas in Wales. This scheme largely replicated the scheme used by this Authority in previous years and so the impact of the all-Wales scheme on those pensioners who had previously qualified for assistance was minimal.

4.1.4 Members are advised that during 2013/14 the total number of pensioner council tax accounts receiving a grant was 2,776 and the total amount of help given was £246k. The minimum award was £5.00 and the maximum award was £100.00.

4.1.5 For information, the 2013/14 scheme details are set out in Appendix 1.

4.2 CHANGES TO FUNDING ARRANGEMENTS

4.2.1 From 2014/15, WG has placed the funding for this scheme within the Revenue Support Grant but it has not been ring-fenced. Therefore, it is for each billing authority in Wales to decide whether to use this funding to operate the same scheme or a different scheme. Alternatively, Councils can decide not to operate a scheme.

4.2.2 As part of the budget proposals presented to Council on the 26th February 2014 it was agreed that the Authority would operate the 2013/14 WG Scheme in the 2014/15 financial year.

4.3 FUTURE PROPOSALS

4.3.1 Members are asked to consider several different proposals regarding the future of this assistance for pensioners; the effective date of any change will be 1st April 2015 onwards.

4.3.2 Four options are listed below for consideration: -

- a. Carry on funding the scheme at 2013/14 levels, i.e. £246k.
- b. Withdraw the scheme completely with effect from 1st April 2015 onwards.
- c. Award 50% of the current levels of grant from 1st April 2015 onwards.
- d. Award 50% of the current levels of grant for the financial year 2015/16 and then withdraw the scheme completely with effect from 1st April 2016.

4.3.3 Members are reminded that the Council Tax Pensioners Grant is listed as one of the discretionary services that are subject to review as part of the agreed budget strategy for 2015/16 and 2016/17.

5. EQUALITIES IMPLICATIONS

5.1 Section 4 of this report shows how the impact on pensioners was assessed in terms of their eligibility for the existing scheme.

5.2 As this report covers people over 65 years old specifically, and they are covered by the Age aspect of the Equality Act 2010, any decision made to reduce and/or withdraw the scheme may have to be monitored in terms of impact and pensioners who fall into arrears may need to

be signposted to other forms of support from sources within the Council and from external partners in the voluntary sector.

6. FINANCIAL IMPLICATIONS

- 6.1 The Authority is required to deliver estimated further savings of £13.4m during the 2015/16 and 2016/17 financial years.
- 6.2 The maximum potential saving from the proposals in this report is £246k.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Members of the Scrutiny Committee are asked to consider and comment upon the options set out in paragraph 4.3.2 of the report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.

Author: J. Carpenter, Council Tax & NNDR Manager - E-mail: carpewj@caerphilly.gov.uk
Consultees: Corporate Management Team
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services
Stephen Harris, Acting Head of Corporate Finance
David Thomas, Senior Policy Officer (Equalities & Welsh Language)
Gail Williams, Interim Head of Legal Services and Monitoring Officer

Appendices:

Appendix 1: 'All-Wales' Terms and Conditions of Pensioner Grant 2013-14