

**REPORT OF THE DEPUTY LEADER**  
**LOCALISATION OF COUNCIL TAX SUPPORT**

**1. Introduction**

- 1.1 The Local Government Finance Act of 2012 requires that the Billing Authority must, for each financial year, consider whether to revise its Council Tax Support scheme (CTS) or to replace it with another scheme.

**2. Background**

- 2.1 The Welfare Reform Act 2012 abolished Council Tax Benefit with effect from 1<sup>st</sup> April 2013 and this was replaced with a local scheme of Council Tax Support to be administered by local authorities.
- 2.2 As part of the development of the scheme for Birmingham, consultation took place with the precepting authorities following which, a draft scheme was then published and a formal consultation process with stakeholders and affected members of the public took place between September and December 2012.
- 2.3 As a result of the consultation, amendments were made to the draft scheme resulting in additional groups receiving protection from a reduction in their Council Tax Support. A full Equality Impact Assessment was carried out as part of the design of the scheme and this was updated throughout the consultation process.
- 2.4 The Council Tax Support scheme for Birmingham was adopted following a Motion proposed at Full Council on the 8<sup>th</sup> January 2013. The scheme took effect from 1<sup>st</sup> April 2013.

**3. Annual review of The Council Tax Support Scheme**

- 3.1 In line with the regulatory requirements of the Local Government Finance Act 2012, each year since the introduction of the scheme a formal annual review has taken place and a further Motion has been presented to City Council to approve the scheme for the following year.
- 3.2 The current scheme for Birmingham was agreed at the meeting of Full Council on the 6<sup>th</sup> January 2015. A formal review of the current scheme was undertaken in September 2015 along with a review of the Equality Assessment. The conclusion of this review is that the scheme continues to meet the original objectives of protecting the most vulnerable. The contents of this review are attached at Appendix 1 to this Motion.
- 3.3 The full review of the Equality Assessment is contained at Appendix 2.

- 3.4 A report was presented to the corporate Resources Overview and Scrutiny Committee on Wednesday 21<sup>st</sup> October 2015 which detailed the findings of the annual review and the Equality Assessment. The contents of the report were noted.
- 3.5 The current Council Tax Support Scheme for Birmingham allows for the annual uprating of allowances required to calculate an award. It is recommended that allowances and premiums are uprated in line with Prescribed Regulations for pensioners and in line with national welfare benefits for all other allowances and premiums.
- 3.6 The Council Tax Support Scheme for Birmingham includes a Discretionary Hardship Fund designed to assist the most vulnerable citizens who are struggling to pay their Council Tax. It is recommended that the level of Discretionary Hardship Fund is reduced to £250,000 for 2016/17 which better reflects the amount of take up of this fund having taken account of the level of spend during the first three years of the current scheme.
- 3.7 All of the above recommendations in respect of the Council Tax Support Scheme for Birmingham for 2016/17 have been accounted for in the setting of the overall Council Tax base calculations.
- 3.8 It is therefore proposed that the City Council continues with the current Council Tax Support scheme for the financial year 2016/17 with no revision or replacement.

### **MOTION**

That the City Council continues with the current Council Tax Support scheme as contained at Appendix 3, for the financial year 2016/17 with no revision or replacement.