Appendix A (i)

Lancashire County Council

Nadine Muschamp
Head of Resources
Lancaster City Council
Town Hall
Dalton Square
LANCASTER LA1 1PJ

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Email: geoff.driver@lancashire.gov.uk

Your ref: HFS/LW
Our ref: GD/GK/AP
Date: 3 August 2012

Dear Nadine

Localised Council Tax Support

Thank you for your letter of 3rd August 2012 consulting the County Council on the approach that Lancaster City Council intends to adopt in establishing its scheme for Council Tax Benefit Support (CTB) from April next year. We very much welcome the opportunity to have the views of the County Council presented to the City Council's Portfolio Holder when a draft scheme for consultation is considered during August 2012.

It is our view that the City Council's proposed CTB scheme must:

- be affordable in terms of grant received, revenue loss and costs to operate;
- be as fair as possible
- be transparent, understandable to customers and practical to operate;
- be feasible to implement within the constraints of the timescales and available software;
- be simple in design, avoiding unnecessary complexity; and
- avoid the costs and risks associated with collecting additional data.

The County Council is supportive of the overall approach you have set out within your letter. Indeed, intelligence gained indicates that your proposals are very similar to those likely to be implemented across the rest of the country.

It is important to make the point very clearly that the County Council supports your view that the adoption of a scheme which entirely mirrors the existing CTB regime is not feasible, whether through the default scheme or through a decision to maintain support at current levels. This would result in significant additional financial pressure on local government budgets, requiring additional ongoing savings to be made elsewhere to fund the additional costs. This would be unacceptable because it takes no account of the likely impact on other services, particularly those to the most vulnerable members of the community.

/Contd...

County Councillor Geoff Driver
Leader, Lancashire County Council
PO Box 78 County Hall
Preston PR1 8XJ

Within this context, the County Council does not support an approach which would maintain existing levels of support due to the significant financial pressure this would bring.

In terms of the specific issues you have raised I would make the following points.

The Basis of the Scheme

We note that if the City Council adopts a scheme reducing CTB across the board the preferred way of achieving this is Option B as set out in your letter. We believe that this option would offer a more equitable and proportionate impact across all claimants, and would provide additional work incentives. This is a key consideration within the scheme and the County Council supports this approach. The County Council would not support the introduction of a flat rate minimum payment, or a scheme which limits the amount of council tax eligible for benefit for the reasons set out in your letter. We do not consider that either of these options would fulfil the principle of the scheme being as fair as possible. It is also sensible for a hardship fund to be established by the City Council, however, we would support this being established outside of the council tax support scheme and funded on a discretionary basis.

Targeting of Support

As you set out in your letter, the current system of CTB provides further protection for vulnerable people and those in work. By adopting a scheme based on the current scheme, the City Council will continue to provide a level of protection to vulnerable groups. In particular, the existing CTB scheme already provides protection for certain groups within the underlying rules of the CTB scheme which provides for

- disability premiums;
- additional personal allowances for children; and
- a small amount of earned income to be ignored in the calculation of benefit.

It would appear to be the most fair and equitable approach that support is provided equally amongst vulnerable groups, with the level of support determined by the resources available.

Cost of administration

It is vitally important that in all aspects of local government we seek to minimise the cost of administration, in order that we may protect services to the most vulnerable members of our communities as far as possible. We consider it vital that the draft scheme considered by the City Council must rely on existing data, and not add to the administrative burden funded by council tax payers.

In conclusion, the County Council is supportive of the approach set out by the City Council in recommending a scheme which fits within the financial envelope determined by the Government, and is based on principles of equity. I must stress

however, the County Council would not support the adoption of a scheme that mirrors the existing CTB scheme, and passports significant financial pressures to services provide by local government, with the consequential impact on services across Lancashire.

Yours sincerely

Cty Cllr Geoff Driver
Leader of County Council

Appendix A (ii)

Lancashire POLICE AUTHORITY
Your County, Your Police, Your Say

Nadine Muschamp
Head of Resources
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Please ask for	:	Lisa Kitto
Telephone	:	(01772) 534757
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E-Mail	:	lisa.kitto@lancashire.gov.uk
Your ref	:	HFS/LW
Our ref	:	LK/JA
Date	:	06 August 2012

Dear Nadine,

Localised Council Tax Support

Thank you for your letter of 3rd August 2012 consulting Lancashire Police Authority on the approach that Lancaster City Council intends to adopt in establishing its scheme for Council Tax Benefit Support (CTB) from April next year. We very much welcome the opportunity to have the views of Lancashire Police Authority presented to the City Council's Portfolio Holder when a draft scheme for consultation is considered during August 2012.

It is our view that the City Council's proposed CTB scheme must:

- be affordable in terms of grant received, revenue loss and costs to operate;
- be as fair as possible
- be transparent, understandable to customers and practical to operate;
- be feasible to implement within the constraints of the timescales and available software;
- be simple in design, avoiding unnecessary complexity; and
- avoid the costs and risks associated with collecting additional data.

Lancashire Police Authority is supportive of the overall approach you have set out within your letter. Indeed, intelligence gained indicates that your proposals are very similar to those likely to be implemented across the rest of the country.

It is important to make the point very clearly that Lancashire Police Authority supports your view that the adoption of a scheme which entirely mirrors the existing CTB regime is not feasible, whether through the default scheme or through a

decision to maintain support at current levels. This would result in significant additional financial pressure on local government budgets, requiring additional ongoing savings to be made elsewhere to fund the additional costs. This would be unacceptable because it takes no account of the likely impact on other services, particularly those to the most vulnerable members of the community.

Within this context, Lancashire Police Authority does not support an approach which would maintain existing levels of support due to the significant financial pressure this would bring.

In terms of the specific issues you have raised I would make the following points.

The Basis of the Scheme

We note that if the City Council adopts a scheme reducing CTB across the board the preferred way of achieving this is Option B as set out in your letter. We believe that this option would offer a more equitable and proportionate impact across all claimants, and would provide additional work incentives. This is a key consideration within the scheme and Lancashire Police Authority supports this approach.

Lancashire Police Authority would not support the introduction of a flat rate minimum payment, or a scheme which limits the amount of council tax eligible for benefit for the reasons set out in your letter. We do not consider that either of these options would fulfil the principle of the scheme being as fair as possible.

It is also sensible for a hardship fund to be established by the City Council, however, we would support this being established outside of the council tax support scheme and funded on a discretionary basis.

Targeting of Support

As you set out in your letter, the current system of CTB provides further protection for vulnerable people and those in work. By adopting a scheme based on the current scheme, the City Council will continue to provide a level of protection to vulnerable groups. In particular, the existing CTB scheme already provides protection for certain groups within the underlying rules of the CTB scheme which provides for

- disability premiums;
- additional personal allowances for children; and
- a small amount of earned income to be ignored in the calculation of benefit.

It would appear to be the most fair and equitable approach that support is provided equally amongst vulnerable groups, with the level of support determined by the resources available.

Cost of administration

It is vitally important that in all aspects of local government we seek to minimise the cost of administration, in order that we may protect services to the most vulnerable members of our communities as far as possible. We consider it vital that the draft scheme considered by the City Council must rely on existing data, and not add to the administrative burden funded by council tax payers.

In conclusion, Lancashire Police Authority is supportive of the approach set out by the City Council in recommending a scheme which fits within the financial envelope determined by the Government, and is based on principles of equity. I must stress however, Lancashire Police Authority would not support the adoption of a scheme that mirrors the existing CTB scheme, and passports significant financial pressures to services provide by local government, with the consequential impact on services across Lancashire.

Yours sincerely

Lisa Kitto
Treasurer
Lancashire Police Authority

Appendix A (iii)

E-mailed response from Lancashire Fire & Rescue Services – 03 August 2012

Thank you for your email dated 3 August 2012.

We are obviously concerned about the impact that the reduction in funding has on both our own funding levels and also on individual claimants.

We note that our share of the estimated reduction in government funding in respect of council tax benefit in Lancaster is £44k. However as you are aware this forms part of a county wide reduction for the Fire Authority of approx. £600k. As such we are obviously keen to ensure that any new scheme offsets the reduction in funding, thus presenting a cost neutral position for the Authority.

With this in mind we would support your design principles:-

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed 'map' of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional date
- Incorporate a contingency saving to allow for growth in the number of claims.

In terms of the options presented we would support either option B or C which should ensure a cost neutral scheme:-

B - Maintain the current council tax benefit rules but reduce the level of council tax support by a % at the end of the calculation (bottom slice)

C - Maintain the current council tax benefit rules but applying a ceiling to the maximum rebate (top slice)

We are keen to ensure that any estimate of the impact of the new regulations are robust, particularly with reference to anticipated collection rates.

We also share your concerns re the local demand for council tax discount and the potential for this to increase over the next few years, in contrast with the government's assumption that is will reduce, and believe that any scheme needs to be flexible enough to cope with changes in the future, and hence needs to have regular review periods to ensure that the scheme remains fit for purpose.

We note that you have made no reference to amending current council tax discounts or exemptions in respect of the various categories of empty properties, second homes etc. and would ask you to confirm what options relating to this you are currently exploring in order to generate sufficient additional council tax to bridge any

anticipated shortfall, and would suggest that this could also incorporate a contingency element to allow for any potential growth in the number of claims

Sent on behalf of:

Keith Mattinson

Director of Corporate Services

Lancashire Fire & Rescue Service