

Independent review of local council tax support schemes

Terms of Reference

Context

In April 2013, council tax benefit (CTB) was replaced by local council tax support (LCTS) schemes. Councils were given 90% of their forecast CBT cost and the freedom to design their own support schemes, taking into account local needs and priorities.

The aims of the policy were to:

- help decentralise power and give councils increased financial autonomy;
- support deficit reduction;
- give councils a greater stake in the success of their local economy.

An independent review of the LCTS schemes is required under Section 9 of the *Local Government Finance Act 2012*.

Scope

The review will take into account all LCTS schemes. The review will cover England, and will also consider views of the Welsh Government and evidence submitted by Welsh authorities on local council tax reduction in Wales.

As set out in the legislation, the review will focus on the **effectiveness, efficiency, fairness** and **transparency** of the different LCTS schemes. It will also consider their impact on the localism agenda, and will make recommendations as to whether or not the schemes should be brought within Universal Credit.

In examining local schemes, the review will consider the scope for promoting examples of best practice, including how councils have been able to reduce or manage administrative costs, promote simplified schemes, and communicate the changes to residents.

The scope of the review will focus specifically on local council tax support schemes. It will not include any broader aspects of government policy on local government finance, council tax, or the welfare system.

Timing

The review will report to the Secretary of State for Communities and Local Government by the end of March 2016.