

28th November 2012**REPORT OF THE PORTFOLIO HOLDER FOR CORE SERVICES AND ASSETS****SOFTWARE SUPPORT/DEVELOPMENT FOR THE
LOCAL COUNCIL TAX SUPPORT SCHEME****EXEMPT INFORMATION**

This proposal is not exempt information for the purposes of Part 1 of Schedule 12 (A) to the Local Government Act 1972

PURPOSE

To seek approval for the release of £53,100 from Government Grant income, received in respect of the implementation of localised Council Tax Support, and the establishment of an associated expenditure budget to enable payment for a software support to be made, in line with the requirements of Financial Guidance.

RECOMMENDATIONS

That Cabinet authorise the release of £53,100 from grant monies financed by the Department for Communities and Local Government, provided for the purpose of implementing a Local Council Tax Support Scheme for 2013 onwards, and the establishment of an expenditure budget to enable payment of £53,200 to be made to Capita Software Services .

EXECUTIVE SUMMARY

Earlier this year The Department for Communities and Local Government awarded a grant of £84,000 to every Local Authority in England, to meet the cost of developing, consulting on and software requirements for a scheme to replace Council Tax Benefit from 1st April 2013.

Approximately £20,000 of this grant has been accordingly used for its purpose, so far being spent on policy writing, modelling tools and public consultation/publicity for the proposed scheme. The required budget adjustments have been actioned within the Head of Service virement limits.

A further £53,100 of the DCLG grant is now requested to be spent on software support and development over the next two years. Tamworth Borough Council's current Benefits software provider, Capita Software Services, have designed and developed a software solution which ensures Local Authorities have a solid platform that can be used for the proposed and any future Local Council Tax Support schemes. Future product releases will not only address local scheme rule changes but also include enhancements to assist with providing solutions as a cloud based hosted service or an on premise solution.

There will be multiple local schemes that customers will adopt from April 2013 onwards. Local schemes will be changed/expanded and new ones introduced in the future. Therefore the software must be fully functional and flexible enough to accommodate many scheme permutations and parameter choices.

RESOURCE IMPLICATIONS

Capita have indicated a cost of £59,000 per Local Authority for the required software. They have also indicated that if it is paid in one rather than two instalments, the charge will be reduced by 10% - i.e it will be £53,100 rather than £59,000.

It is recommended that Tamworth Borough Council use the DCLG grant monies to procure this software at the discounted rate – i.e £53,100, thereby saving Tamworth Borough Council £5,900 in the long term.

Financial Guidance requires that Members are requested to approve any budget adjustments above £50,000.

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

Further grant monies will be provided to Local Authorities to help meet the burden costs of designing and introducing a Local Council Tax Support scheme. (Amount not yet known). Any unspent amounts should be retained in reserve to finance any further, future software and other associated costs.

BACKGROUND INFORMATION

None

REPORT AUTHOR

Karen Taylor