

**Decision Maker:** Executive

**Date:** 26th November 2014

**Decision Type:** Non-Urgent Executive Key

**Title:** COUNCIL TAX SUPPORT/REDUCTION – 2015/16

**Contact Officer:** John Nightingale, Head of Revenues and Benefits  
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**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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Reason for report

1.1 To advise Members of the results of the public consultation exercise and seek approval of the scheme to be forwarded to Full Council for approval.

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**RECOMMENDATION(S)**

**(1) Members to note the responses to the public consultation exercise.**

**(2) Members to approve that the proposed scheme be forwarded to Full Council for adoption.**

## Corporate Policy

1. Policy Status: New Policy:
  2. BBB Priority: Not Applicable:
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## Financial

1. Cost of proposal: £15.2m (based on 2014/15 caseload and council tax liability)
  2. Ongoing costs: Scheme to be agreed on an annual basis
  3. Budget head/performance centre: 400002/400003
  4. Total current budget for this head: £6.9m
  5. Source of funding: Government Grant
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## Staff

1. Number of staff (current and additional): 1.5 FTE + Liberata
  2. If from existing staff resources, number of staff hours:
- 

## Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 19,000 households in receipt of Council Tax Support
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

#### **Background**

From April 2013, the scheme for providing assistance to households in meeting their council tax liability changed from a national scheme (Council Tax Benefit) to a locally agreed scheme (Council Tax Support). However, in respect of claimants of pensionable age, the scheme continued to be based on national rules and regulations, with the undertaking that they would not be worse off than if the previous scheme continued to exist.

The Government funding of the scheme changed from a subsidy based system where the Authority was recompensed 100% of the entitlement awarded, to a grant based system. The grant being based on a maximum of 90% of previous year's expenditure.

Following the mandatory consultation exercise and Government's offer of additional funding for 2013/14 to those authorities that restricted the minimum amount working-age claimants had to pay to 8.5% of their liability, the following scheme was adopted at Full Council on the 21 January 2013.

Year	Minimum working-age liability
2013/14	8.5%
2014/15	19%

Also included in the scheme was a budget of £100k per annum to be used for awarding discretionary assistance where a claimant demonstrated exceptional circumstances/hardship.

#### **Consultation Exercise**

The Resources Portfolio Holder approved on the 8/7/14 the undertaking of a consultation exercise, with the recommendation being that the scheme remains as for 2014/15.

A web based consultation exercise was undertaken during the period 5/9/14-27/10/14, with notification of the exercise being included in Council Tax demands issued during this period. The findings are entered as Appendix 1 to this report.

The main finding was that the majority of those completing the consultation document were in favour of retaining the current scheme. Not surprising, of those indicating they wished to vary the scheme, those currently receiving Council Tax Support wanted the level of assistance to increase, whilst those not currently receiving Council Tax Support wanted it to reduce.

#### **Recommended scheme**

The Council Tax Support scheme recommended for 2015/16 replicates the main aspects of the scheme operational in the current financial year. The only variations being resultant of minor legislative changes and annual uprating's. Appendix 2 shows the full proposed scheme; however as advised earlier, this will be subject to minor amendments as a result of legislative change and annual uprating's.

The Main elements of the scheme are:

- Assessments for working-age claimants are based on 81% of the claimants council tax liability. Therefore, working-age claimants have to pay a minimum of 19% of their council tax liability.
- Assessments for claimants of pensionable age will have their entitlement calculated on 100% of their council tax liability
- A budget of £100k per annum be made available for the awarding of additional assistance where exceptional hardship/circumstances are demonstrated

#### 4. POLICY IMPLICATIONS

The Authority's Council Tax Support/Reduction Scheme needs to be adopted at a meeting of the Full Council by the end of January preceding the financial year to which it relates. It is therefore proposed that the recommendation arising from this meeting be taken to Full Council on the 8 December 2014.

The scheme adopted by the Authority can be changed in future years; however dependant on the scale and nature of the planned revision it may be necessary to undertake a further consultation exercise and/or grant transitional protection for those adversely affected.

When considering the recommendation, Members attention is drawn to the impact assessment completed prior to adoption of the 2013/14 scheme. For more information use the link to the assessment. <http://cbs.bromley.gov.uk/documents/s50006017/Appendix%202.pdf>

The actual/likely impacts and mitigating actions remain as recorded; however below are updates of tables 1 & 2.

Table 1 – financial impact of proposed CTS scheme (based on 2014/15 liability)

	Liability	Maximum assistance under CTB	Maximum assistance Pensionable Age	Maximum assistance Working Age (81%)	Minimum weekly amount to pay (19%)
Band A – full charge	872.71	872.71	872.71	706.90	3.18
Band A – with 25% discount	654.53	654.53	654.53	£530.17	£2.38
Band B – full charge	1018.17	1018.17	1018.17	£824.72	£3.71
Band B – with 25% discount	763.63	763.63	763.63	£618.54	£2.78
Band C – full charge	1163.62	1163.62	1163.62	£942.53	£4.24
Band C – with 25% discount	872.72	872.72	872.72	£706.90	£3.18
Band D – full charge	1309.07	1309.07	1309.07	£1060.35	£4.77
Band D – with 25% discount	981.80	981.80	981.80	£795.26	£3.58
Band E – full charge	1599.97	1599.97	1599.97	£1295.98	£5.83
Band E – with 25% discount	1199.98	1199.98	1199.98	£971.98	£4.37
Band F – full charge	1890.88	1890.88	1890.88	£1531.61	£6.89
Band F – with 25% discount	1418.16	1418.16	1418.16	£1148.71	£5.17
Band G – full charge	2181.78	2181.78	2181.78	£1767.24	£7.95
Band G – with 25% discount	1636.34	1636.34	1636.34	£1325.44	£5.96
Band H – full charge	2618.14	2618.14	2618.14	£2120.69	£9.54
Band H – with 25% discount	1963.61	1963.61	1963.61	£1590.52	£7.16

Table 2 – Breakdown of current CTS claimants

Type	Total	Female	Male	Disabled	Disabled female	Disabled male	DLA Income
<b>Working age (equalisation definition) - Passported</b>							
Single no child dependant	3493	1708	1785	1336	665	671	1227
Single with child dependant	2965	2845	120	247	228	19	439
Couple no child dependant	332	142	190	120	53	67	167
Couple with child dependant	564	281	283	114	43	71	213
<b>Working age - Non Passported</b>							
Single no child dependant	1086	589	497	259	119	140	253
Single with child dependant	1687	1621	66	48	44	4	117
Couple no child dependant	122	34	88	35	10	25	42
Couple with child dependant	805	387	418	39	16	23	113
<b>Total working age</b>	<b>11054</b>	<b>7607</b>	<b>3447</b>	<b>2198</b>	<b>1178</b>	<b>1020</b>	<b>2571</b>
Pensioner - Passported	5092	3318	1774	1326	946	380	784
Pensioner - Non Passported	2521	1441	1080	545	296	249	279
<b>Total Pensioner</b>	<b>7613</b>	<b>4759</b>	<b>2854</b>	<b>1871</b>	<b>1242</b>	<b>629</b>	<b>1063</b>
<b>Overall Total</b>	<b>18667</b>	<b>12366</b>	<b>6301</b>	<b>4069</b>	<b>2420</b>	<b>1649</b>	<b>3634</b>

**5. FINANCIAL IMPLICATIONS**

The proposed scheme reflects the reduced Government funding introduced at the time of the movement to a locally based scheme. There are no additional financial implications.

**6. LEGAL IMPLICATIONS**

Section 33 (1) (e) of the Welfare Reform Act 2012 abolished the national scheme of Council Tax benefit. Section 10(1) of that Act introduced a new Section 13 A(2) into the Local Government Finance Act 1992 which obliged each local authority to make its own scheme for those who it considered to be in financial need and Bromley complied with this provision.

Schedule 1 A of the 1992 Act sets out the procedural steps required to make or revise a scheme. These include an obligation to consider whether or not to change a scheme for any financial year. Where changes are made there is a statutory obligation to publish a draft scheme and to consult with such persons as we deem to have an interest. That will include both individuals who receive benefit and those who don't. Any new scheme must be adopted by 31 January in the financial year preceding that in which it is to apply.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	