

**Decision Maker:** EXECUTIVE

**Date:** Wednesday 30 November 2016

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

**Title:** COUNCIL TAX SUPPORT/REDUCTION SCHEME 2017/18

**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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1. Reason for report

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

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2. **RECOMMENDATION(S)**

1. Members are asked to consider the responses to the public consultation exercise

2. Members are asked to consider the response from the Greater London Authority to the consultation documents

3. Members are asked to note the content of the Impact Assessment

4. Members are asked to recommend that Full Council, at the meeting of the 12<sup>th</sup> December, adopt for financial year 2017/18 a scheme retaining the calculation of entitlement for working-age claimants on 75% of the households Council Tax liability. Thereby the maximum assistance provided to a claimant of working-age is 75% of his/her Council Tax liability.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: 4,948 household s with children and 3.143 disabled claimants.
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## Corporate Policy

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

1. Cost of proposal: Estimated annual cost of scheme with minimum liability is £12.765m
  2. Ongoing costs: Recurring Cost:
  3. Budget head/performance centre: Revenues, Benefits and Admin
  4. Total current budget for this head: £7.686m
  5. Source of funding: Government funding, not identified as a separate item in the grant notification
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## Personnel

1. Number of staff (current and additional): 8 + Liberata staff
  2. If from existing staff resources, number of staff hours: Once scheme adopted extra work will fall onto Liberata, taken into account in costings provided
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## Legal

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

1. Summary of Procurement Implications: N/A
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected):16,870 (the current number of households in receipt of Council Tax support)
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### 3.1 Introduction

From the 01 April 2013 the national scheme for providing assistance with Council Tax (Council Tax Benefit) ceased to exist and was replaced by a local authority designed scheme for those claimants of working-age. The scheme is known as Council Tax Support/Reduction (CTS/R). For those of pensionable age, the scheme continued to be based on national rules and regulations.

In the financial year 2013/14, working-age claimants were liable to pay a minimum of 8.5% of their Council Tax liability. For the financial years 2014/15 and 2015/16 working-age claimants were liable for a minimum of 19% of their Council Tax liability, before this increased to 25% in 2016/17.

At the 7<sup>th</sup> July meeting of the Executive, Members agreed that a minimum liability of 25% be the Authority's preferred option for inclusion in the public consultation exercise, the results of which are contained later in the report.

It should be noted that the scheme needs to be adopted at Full Council by the 31<sup>st</sup> January prior to the financial year it relates to.

#### 3.2 Consultation

At the 7 July 2016 meeting of the Executive & Resources PDS, it was agreed to undertake a consultation exercise, with the preferred option being that CTS/R continue to be based on 75% of the households Council Tax Liability. The consultation exercise closed on the 2 October 2016 by which time 960 responses had been received. Included in these were responses from the following representative bodies:

- Age Concern
- Chislehurst Debt Advice Service
- Penge Church Housing

Responses to the questions contained in the consultation exercise are entered as Appendix 1. A full report of the consultation findings can be found on the LBB website, the link for which is: <http://www.bromley.gov.uk/CouncilTaxSupport>

To summarise the main findings were:

- In respect of financial year 2017/18, 68% of respondents confirmed their preference to keep the minimum contribution at 25%. The responses were weighted in favour of maintaining this level of support irrespective of whether the respondent was in receipt of CTS/R
- 38% of respondents said that the Council should use its reserves to fund any additional contribution to the Council Tax Support scheme.
- 92% of respondents said that there should be a hardship fund, with 66% agreeing that it should remain at the current level (£100k)
- Where opportunity was given to suggest changes to the scheme, the comments made fell into the following broad categories:
  - Undertaking better checks on those receiving CTS
  - Increasing protection for certain categories of claimant
  - Employing a sliding scale of assistance
  - Limiting the support further e.g. to those living in the lowest Council Tax band
  - Helping citizens through employment opportunities

In addition to the public consultation exercise the Greater London Authority was consulted as to their views. Their response is attached as Appendix 2.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

There are currently 3,143 disabled claimants and 4,948 households with children affected by the policy. This excludes pensioner claimants whose entitlement continues to be based on 100% of their Council Tax liability.

The impact on vulnerable adults and children is mitigated by building into the scheme disregards and additional assistance contained in the Housing Benefit scheme. In addition a hardship fund is available for those faced with exceptional circumstances. A copy of the Impact Assessment can be found at Appendix 3.

#### **5. POLICY IMPLICATIONS**

A copy of the 2016/17 scheme can be accessed by the following web link:

[http://www.bromley.gov.uk/downloads/file/2479/adopted\\_council\\_tax\\_support\\_scheme\\_2016](http://www.bromley.gov.uk/downloads/file/2479/adopted_council_tax_support_scheme_2016)

This scheme will be revised in light of any changes agreed by Members, required by legislative change and/or resultant of the annual uprating of the benefit system

The Authority's scheme needs to be adopted on an annual basis following a public consultation exercise.

#### **6. FINANCIAL IMPLICATIONS**

The below table shows the projected expenditure of the scheme based on working-age claimants having their entitlement based on 75% of the households Council Tax liability.

Minimum working-age CTS liability	25%
Total estimated annual CTS expenditure	£12.765m
Less GLA estimated proportion – 20.49%	£2.616m
LBB estimated annual CTS expenditure Costs – 79.51%	£10.149m

Calculations have been based on the Council Tax levels for 2016/17 and the current number of households in receipt of CTS/R.

In addition to the expenditure figures above, the sum of £100k per annum is available for the provision of discretionary awards.

#### **7. LEGAL IMPLICATIONS**

Full legal implications are set out in the report considered by members of the Executive on 7<sup>th</sup> July and these are not repeated here. Members should however have regard to these and to the earlier Equality Impact assessment work undertaken. However, in summary 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.

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. Bromley has undertaken the required consultation exercise and whereas members must have regard to the consultation outcomes, they are not obliged to follow the majority view.

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