

---

**Decision Maker:** EXECUTIVE

**Date:** Wednesday 6 December 2017

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

**Title:** COUNCIL TAX SUPPORT/REDUCTION SCHEME 2018/19

**Contact Officer:** John Nightingale, Head of Revenues and Benefits  
Tel: 020 8313 4858 E-mail: john.nightingale@bromley.gov.uk

**Chief Officer:** Director of Finance

**Ward:** (All Wards);

---

1. Reason for report

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.

---

2. RECOMMENDATION(S)

Members are asked to:

2.1 a) consider the responses to the public consultation exercise.

2.2 b) consider the updated Impact assessment at Appendix 1.

2.3 c) consider that the Council Tax Support/Reduction scheme for 2018/19 retains 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.

2.4 d) consider a variation to the Council Tax Support/Reduction scheme to incorporate the changes that have been made to the Housing Benefit regulations (see paragraph 3.2.2).

Subject to the outcome of 2.1 to 2.4 above recommend to Council the Council Tax Support/Reduction scheme for 2018/19.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: 4611 households with children and 1701 working-age disabled claimants.
- 

### Corporate Policy

1. Policy Status: New Policy:
  2. BBB Priority: Not Applicable:
- 

### Financial

1. Cost of proposal: Estimated annual cost of the scheme with minimum 25 % liability is £9,874m
  2. Ongoing costs: Recurring cost
  3. Budget head/performance centre: Revenues, Benefits and Admin
  4. Total current budget for this head: £6.782m
  5. Source of funding: Government funding (although not separately identified in the grant notification)
- 

### Personnel

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

### Legal

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

### Procurement

1. Summary of Procurement Implications: N/A
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected):15,870 (the current number of households in receipt of Council Tax Support)
- 

### 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 13<sup>th</sup> July meeting of the Executive and Resources PDS, 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.

Attached as Appendix 1 to this report is an updated Impact Assessment based on the re-adoption of a scheme retaining the minimum contribution for a working-age household at 25% of the Council Tax liability. Members are asked to note the content of the "assessment" when considering the third recommendation contained in this report.

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

#### **Consultation**

3.2.1 At the 13 July 2017 meeting of the Executive & Resources PDS; it was agreed to undertake a consultation exercise, with the recommendation being that CTS/R continue to be based on 75% of the households Council Tax Liability. The consultation exercise closed on the 8 October 2017 by which time 1,125 responses had been received. Included in these were responses from the GLA which is attached as Appendix 2 and the following representative bodies:

- Age UK
- St Christopher's Bromley (Hospice)
- Zacchaeus 2000 Trust

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>

3.2.2 To summarise the main findings were:

- In respect of financial year 2018/19, 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
- Of those indicating that the current level of assistance should not be maintained, 43% said the scheme should be more generous and 57% less.
- 91% of respondents said that there should be a hardship fund, with 67% agreeing that it should remain at the current level (£100k)

- On the questions related to aligning the scheme with Housing Benefits, the following results were obtained:  
86% agreed that CTS/R should only be paid for a maximum of 4 weeks during a claimant's absence from Great Britain.  
77% agreed that CTS/R should only cover the costs of 2 children in families. The following DWP exemptions would apply where the third or subsequent child:
- were born as part of a multiple birth
- were adopted from local authority care
- are in your care (formally or informally) and otherwise would be looked after by the local authority
- you are responsible for has a child of their own
- were conceived as a result of a non-consensual sexual act (including rape) or when you were in a controlling or coercive relationship  
77% agreed customers in receipt of ESA should only receive additional assistance if they are in the support group.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN AND INDIVIDUALS WITH PROTECTED CHARACTERISTICS**

There are currently 1701 disabled claimants and 4611 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.

##### Summary of Equality Impact assessment (EIA)

The EIA recognizes that the requirement for working-age claimants to contribute a minimum of 25% towards their Council Tax liability disproportionately impacts upon several of the protected characteristic groups. Lone parents (who are predominantly women) and the disabled are both overrepresented in the Council Tax Support caseload. Mitigation of the impact is supplied by the retention of the safeguards included in the Housing Benefit scheme for these client groups, for example the disregard of certain income types for the disabled and allowances for childcare costs. Further mitigation is supplied by the Hardship Fund from which assistance can be granted for those facing exceptional circumstances.

A copy of the Impact Assessment can be found at Appendix 1.

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

5.1 A copy of the 2017/18 scheme can be accessed by the following web link:

[http://www.bromley.gov.uk/downloads/file/2860/council\\_tax\\_support\\_scheme\\_2017](http://www.bromley.gov.uk/downloads/file/2860/council_tax_support_scheme_2017)

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

- 6.1 The below table shows the projected expenditure of the scheme based on working-age claimant's having their entitlement based on 75% of the households Council Tax liability: -

Minimum working-age CTS liability	25%
	<b>£'000</b>
LBB estimated annual CTS expenditure costs (79.91%)	£9,874
GLA estimated costs (20.09%)	£2,483
<b>Total Estimated annual CTS expenditure</b>	<b>£12,357</b>

- 6.2 The sums included in the above table are based on the Council Tax levels for 2017/18 and the current number of households in receipt of CTS/R as at the 30/9/17.
- 6.3 In addition to the above expenditure figures, the 2017/18 budget includes £100k per annum for the provision of discretionary awards.

## 7. LEGAL IMPLICATIONS

- 7.1 Full legal implications were set out in the report considered by members of the Executive on 15<sup>th</sup> July 2015 and these are not repeated here. Members should however have regard to these and 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 13A (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 1A 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. This will include both individuals who receive benefit and those who don't. Any new scheme must be adopted by 31<sup>st</sup> of 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. Members also have to consider the impact of the scheme and any changes on individuals with protected characteristics in line with the public sector equality duty and an equality impact assessment which identifies appropriate mitigation measures is appended to the report.

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