

**Decision Maker:** EXECUTIVE

**Date:** Wednesday 28 November 2018

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

**Title:** COUNCIL TAX SUPPORT/REDUCTION SCHEME 2019/20

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

**Ward:** (All Wards);

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1. Reason for report

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

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2. RECOMMENDATION(S)

Members are asked to:

2.1 consider the updated Impact Assessment at Appendix 1.

2.2 consider the responses of the public consultation exercise at Appendix 3.

2.3 consider that the Council Tax Support/Reduction scheme for 2019/20 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 Subject to the outcome of 2.1 to 2.3 above recommend to Council the Council Tax Support/Reduction scheme for 2019/20.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: 4306 households with children and 1505 working age 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 the scheme with 25% liability is £9.797m
  2. Ongoing costs: Recurring Cost:
  3. Budget head/performance centre: Benefits and Admin
  4. Total current budget for this head: £7.204m
  5. Source of funding: Government funding (although not separately identified 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 the scheme is adopted the work will fall onto Liberata, taken into account in the 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): 14,726 (the current number of households in receipt of Council Tax Support/Reduction)
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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 1 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 5<sup>th</sup> July 2018 meeting of the Executive, Resources & Contracts PDS, it was 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 Full Council by the 31<sup>st</sup> January prior to the financial year it relates to.

#### **3.2 Consultation**

At the 5 July 2018 meeting of the Executive, Resources & Contracts PDS, it was agreed to undertake a consultation exercise, with the recommendation being that the preferred option was for CTS/R scheme to continue to be based on 75% of the households Council Tax liability due to the uncertain impact of Universal Credit (UC) rollout during 2019/20.

The consultation exercise closed on the 14 October 2018 by which time 211 responses had been received. Included in this was a response from the GLA which is attached as Appendix 2.

Responses to the questions contained in the consultation exercise are entered as Appendix 3.

To summarise the main findings were:

- In respect of financial year 2019/20, 67% 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, 70% said the scheme should be more generous and 30% less.
- 96% of respondents said that there should be a hardship fund, with 72% agreeing that it should remain at the current level (£100k)

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

There are currently 1505 disabled, working-age claimants and 4306 working-age 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 to those faced with exceptional circumstances.

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

The EIA recognises that the requirement of 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 predominately women) and the disabled are both over represented in the Council Tax Support/Reduction 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 child care costs. Further mitigation is supplied by the Hardship Fund from which assistance can be granted for those facing exceptional circumstances.

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

#### 5. POLICY IMPLICATIONS

5.1 A copy of the 2018/19 scheme can be accessed by the following web link:

[https://www.bromley.gov.uk/downloads/file/2860/council\\_tax\\_support\\_scheme\\_2018](https://www.bromley.gov.uk/downloads/file/2860/council_tax_support_scheme_2018)

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.

#### 6. FINANCIAL IMPLICATIONS

6.1 The table below 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	<b>25%</b>
	<b>£'000</b>
LBB estimated annual CTS expenditure costs (79.91%)	9,797
GLA estimated costs (20.09%)	2,463
<b>Total estimated annual CTS expenditure</b>	<b><u>12,260</u></b>

6.2 The sums included in the above table are based on the Council Tax levels for 2018/19 and the current number of households in receipt of CTS/R as at the 5/11/18.

6.3 In addition to the above expenditure figures, the sum of £100k per annum is available 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 July 2015 and are not repeated here. Members should however have regard to these and the earlier Equality Impact assessment 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 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> January in the financial year preceding that in which it is to apply. Bromley has undertaken the required consultation exercise. Members' must have regard to consultation exercise but they are not obliged to follow the majority view. However, introducing new proposals or disregarding consultation views which point to a strong preference without clear reasoning will create a risk of challenge. Members' also have to consider the impact of the scheme and any changes on individual which protected characteristics in line with the public sector equality duty and 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)	