

PART ONE - PUBLIC

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**Decision Maker:** **EXECUTIVE**

**Date:** **Friday 2 August 2019**

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

**Title:** **COUNCIL TAX SUPPORT/REDUCTION SCHEME 2020/21**

**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**

For a decision on the Authority's recommended Council Tax Support/Reduction scheme to be included in the annual public consultation exercise.

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**2. RECOMMENDATION(S)**

**2.1 Members are asked to agree that the Council Tax Support/Reduction scheme (CTS) is forwarded for public consultation based on 75% liability for working-age claimants. All other elements of the scheme remain unchanged, subject to annual benefit uprating, legislative changes to the Council tax Support/Reduction scheme and maintaining alignment with the Housing Benefit scheme.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: 3964 households with children and 1428 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 £10.072m
  2. Ongoing costs: Recurring Cost
  3. Budget head/performance centre: Benefits and Admin
  4. Total current budget for this head: £6.989m
  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 which has been 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: Not applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 14,280 (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: Not applicable

### **3. COMMENTARY**

#### **3.1 Background**

Since the introduction of Council Tax Support/Reduction (CTS\IR) in 2013 Bromley has undertaken a consultation exercise in which it has sought resident's views as to the scheme to be operated in the following financial year. Prior to the consultation exercise a decision is required as to the scheme that the Authority is recommending for the coming year. This is then included in the consultation documents.

- 3.2** In previous years the scheme has been revised by changing the minimum Council Tax contribution required by those claiming CTS\IR. For information, the minimum contributions for previous years are listed below:

2013/14	8.5%
2014/15	19%
2015/16	19%
2016/17	25%
2017/18	25%
2018/19	25%
2019/20	25%

#### **3.3 Schemes operated by other Local Authorities**

Attached as Appendix 1 is a table detailing the schemes operated by the other London Authorities in 2019/20. There is currently no information available as to any revisions they might be proposing to their schemes for the next financial year.

#### **3.4 Consultation**

The public consultation exercise will commence towards the end of August, having first sought the view of the GLA on the Council's proposed scheme for 2020/21. The consultation will involve seeking the views of both those receiving CTS and those not currently receiving assistance with their Council Tax. Results of the consultation exercise will be reported to the 27 November 2019 meeting of the Executive. Legislation requires that the scheme be adopted by the 31<sup>st</sup> January preceding the financial year to which it relates.

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

- 4.1** There are currently 1428 disabled working-age claimants and 3964 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.
- 4.2** 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 who are faced with exceptional circumstances.
- 4.2** An updated Equality Impact Assessment (EIA) is attached as Appendix 2.

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 both of which are over represented in the Council Tax Support/Reduction caseload. Mitigation f the impact is supplied by the retention of the safeguards included in the Housing Benefit scheme for those 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.

## **5. POLICY IMPLICATIONS**

### **5.1 A copy of the 2019/20 scheme can be accessed by the following web link:**

[https://www.bromley.gov.uk/downloads/file/2860/council\\_tax\\_support\\_scheme\\_2017](https://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 as a result of annual uprating of the benefits system.

The Authority's scheme needs to be adopted annually following a public consultation.

## **6. FINANCIAL IMPLICATIONS**

### **6.1 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:**

<b>Minimum Working Age CTS/R Liability</b>	<b>25%</b>
	<b>£'000</b>
LBB estimated annual CTS/R expenditure costs (79.14%)	10,072
GLA estimated costs (20.86%)	2,655
Total estimated annual costs for CTS/R	<b><u>12,727</u></b>

**6.2** The sums included in the above table are based on the Council Tax levels for 2019/20 and the current number of households in receipt of CTS\&R at the end of June 2019.

**6.3** In addition to the amounts contained in the above table, it is proposed that there will be a Discretionary fund of £100k per annum.

## **7. LEGAL IMPLICATIONS**

**7.1** The Local Government Finance Act 2012 amended Section 13A of the Local Government Finance Act 1992 and imposed a statutory duty on the Council to make a Council Tax Reduction Scheme specifying the reductions which are to apply to amounts of Council Tax payable, in respect of dwellings situated in its area, by:

- Persons whom the authority considers to be in financial need; or
- Persons in classes consisting of persons whom the authority considers to be, in general, in financial need.

**7.2** The first scheme introduced by Bromley took effect on 1<sup>st</sup> April 2013. Schedule 1A of the 1992 Act sets out the procedural steps to make or revise a scheme by law each financial year the Council must consider whether to revise or replace its scheme and decisions need to be made by 31 January for the year the scheme is to take effect. Any new scheme must be adopted by 31<sup>st</sup> January in the financial year preceding that in which it is to apply.

**7.3** When revising or replacing a scheme the Council must (in the following order):

- consult major precepting authorities;
- publish a draft scheme in such a manner as it sees fit; and
- consult other persons as it considers likely to have an interest in the scheme

**7.4** The public sector equality duty, as set out in section 149 of the 2010 Equality Act, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and

victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

- 7.5 The Council must pay due regard to any obvious risk of such discrimination arising in respect of the decision before them. There is no prescribed manner in which the equality duty must be exercised, though producing an EIA is the most usual method. A copy of the EIA is attached at Enclosure 2 For this reason these matters are examined in the EIA appended to this report. Where it is apparent from the analysis of the information that the policy would have an adverse effect on equality, then adjustments should be made to seek to reduce that effect and this is known as “mitigation”.

The public sector equality duty is not to achieve the objectives or take the steps set out in section 149 of the Equality Act 2010. The duty on the Council is to bring these important objectives relating to discrimination into consideration when carrying out its public functions. The phrase “due regard” means the regard that is appropriate in all the particular circumstances in which the Council is carrying out its functions. There must be a proper regard for the goals set out in section 149 of the 2010 Act. At the same time, when making their decision on what scheme to adopt for localised council tax support, councillors will also need to pay regard to other factors which it is proper and reasonable for them to consider. Budgetary pressures and economic and practical factors will also be relevant. The amount of weight to be placed on the same countervailing factors in the decision making process will be for councillors to decide when the final decision on the scheme is made.

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