

Decision Maker: EXECUTIVE

Date: Wednesday 27 November 2019

Decision Type: Non-Urgent Executive Key

Title: COUNCIL TAX SUPPORT/REDUCTION SCHEME 2020/21

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

Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

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

2. **RECOMMENDATION(S)**

Members are asked to:

2.1 consider the updated Impact Assessment at Appendix 1.

2.2 consider the responses to public consultation exercise at Appendix 2 & 3.

2.3 consider that the Council Tax Support/Reduction scheme for 2020/21 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 2020/21.

Impact on Vulnerable Adults and Children

1. Summary of Impact: 3964 households with children and 1428 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 25% liability is £10m
 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)
-

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.
-

Legal

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

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 14,280 (the current of households in receipt of Council Tax Support/Reduction)
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

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 2nd August 2019 meeting of the Executive, 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.

Members are asked to note the content of the updated Impact Assessment when considering the third recommendation contained in this report. The 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 can be found at Appendix 1

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

3.2 Consultation

At the 2 August 2019 meeting of the Executive 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 6 October 2019 by which time 268 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 2020/21, 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, 67% said the scheme should be more generous and 33% less.
- 94% of respondents said that there should be a hardship fund, with 79% agreeing that it should remain at the current level (£100k)

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

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.

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 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 3.

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_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 exercise.

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:-

Minimum Working Age CTS\R Liability	25%
	£'000
LBB estimated annual CTS\R expenditure costs (79.14%)	9,994
GLA estimated costs (20.86%)	2,634
Total estimated annual costs for CTS\R	<u>12,628</u>

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

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

6.4 The above proposal reflects no changes to the existing scheme for 2020/21.

7. LEGAL IMPLICATIONS

7.1 Full legal implications were set out in the report considered by members of the Executive on the 2 August 2019. Members should have regards to these and the Equality Impact assessment undertaken. However, in summary Section 33 (1) (e) of the Welfare Reform act 2012 abolished

the national 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.

- 7.2 Schedule 1A of the 1992 Act sets out the procedural steps required to make a revised scheme. These include the 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 31st 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 the 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 risk of challenge. Members' also have to consider the impact of the scheme and any changes on individuals with protected characteristics in line with public sector equality duty and equality impact assessment which identifies appropriate mitigation measures which is appended to this report.

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