

Report to Cabinet
18 January 2017
Report of Director of business services
Subject Council tax reduction scheme 2017-18
(post consultation)

Item

7

Purpose

To consider and recommend to council a council tax reduction scheme for 2017-18

Recommendation

To recommend council to make the following changes to the council tax reduction scheme (CTRS) for 2017-18 by continuing with the 2016-17 scheme with four modifications: that the:

- a) applicable amounts shall be uprated by the composite rate of council tax increase that excludes adult social care. Including in the scheme the principle of the uprating rather than the actual figure;
- b) provision of backdating shall be reduced from six to two months;
- c) eligibility of CTRS applicants shall be aligned with the housing benefit regulations for those temporarily living away from Great Britain; and,
- d) eligibility to CTR shall be aligned with the maximum six-month non- payment of Universal Credit, subject to being entitled to CTR during the period in question.

Corporate and service priorities

The report helps to meet the corporate priority a fair city

Financial implications

The proposed changes to the council tax reduction scheme are not anticipated to increase the costs of the scheme to the council overall. There will be increased costs from the uprating of the applicable amounts but these are expected to be offset by savings from the reduction in backdating.

Ward/s: All Wards

Cabinet member:

Councillor Stonard – Resources and business liaison

Councillor Thomas – Fairness and equality

Contact officers

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| Tracy Woods Business, relationship and procurement manager | 01603 212140 |
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| Anton Bull, director of business services | 01603 212326 |
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Background documents

None

Report

1. Since 1 April 2013 the council has operated a council tax reduction scheme (CTRS), which replaced council tax benefit.
2. There are currently approximately 16,647 recipients of CTR, of which 63% receive full entitlement.
3. As pensioners have been protected by the government any changes to CTRS will only impact working age claimants. Therefore the council can only control the cost of CTRS in relation to working age claims.
4. The council adopted the government's default CTRS in 2013, having made only minor technical changes since then. The government has been reducing its financial support to local authorities for the cost of the scheme therefore changes to the council tax discounts and exemptions have been made to try and address any shortfall.
5. There will be no revenue support grant to help cover the cost of the scheme from 2020-21. The reduction in the funding has already been incorporated into the MTFS.
6. The council tax reduction scheme cross party working group met on 12 September 2016 to review in detail options.
7. Recommendations from this cross party group were considered by cabinet on 12 October 2016.
8. The cabinet **RESOLVED** to
 - a. consult with the public and preceptors on the working groups recommendations for changes to the CTRS and discounts for 2017-18
 - b. delegate to the director of business services, in conjunction with the director of customers and culture, the final wording of the consultation questions.

Consultation process for 2017-18 council tax reduction scheme

9. Schedule 1A of the Local Government Finance Act 1992 states :
 - (1) For each financial year, each billing authority must consider whether to revise its scheme or replace it with another scheme: and
 - (2) The authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.
10. The budget consultation concluded on Sunday 8 January 2017, however full comments and analysis for the consultation was not available at the time of writing this report. A verbal update will be provided on the 18 January. However, from the raw data as below there is support for the proposed changes.

11. The results of the CTRS consultation questions asked to Thursday 22 December 2016 from 884 responses are:

QC1: Do you agree the council should continue to increase 'applicable amounts' for the scheme to protect those on low incomes?

Yes – 61.61% No – 24.97% Don't know – 13.43%

QC2: Do you agree we should allow a Universal Credit claimant to remain eligible for CTRS during a period when they are not receiving Universal Credit?

Yes – 49.25% No – 30.45% Don't know – 20.30%

QC3: Do you agree we should reduce the backdating of CTRS from six to two months?

Yes – 55.67% No – 24.81% Don't know – 19.52%

QC4: Do you agree we should change CTRS to match recent changes in housing benefit regulations for applicants temporarily living away from Great Britain?

Yes – 59.65% No – 17.29% Don't know – 23.06%

12. As preceptors Norfolk County Council and the Office of the Police and Crime commissioner have also been consulted on these proposed changes and no adverse comments have been received.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

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| Committee: | Cabinet |
| Committee date: | 18/01/2017 |
| Director / Head of service | Anton Bull Director of business services |
| Report subject: | Council tax reduction scheme 2017-18 (post consultation) |
| Date assessed: | 19/12/2016 |
| Description: | To consider and recommend to council a council tax reduction scheme for 2017-18 |

| | Impact | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Finance (value for money) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | There is a negative impact in that continued protection of the 100% CTRS will not be fully funded by the reducing revenues support grant placing pressure on the council's budget. However a positive impact of maintaining the scheme is that the council won't be chasing a large number of small debts that would be difficult to recover. |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Financial inclusion | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 100% CTRS will protect financially vulnerable citizens |
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| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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| | Impact | | | |
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| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
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| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Natural and built environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste minimisation & resource use | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Pollution | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |

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|-----------------|-------------------------------------|--------------------------|--------------------------|--|
| | Impact | | | |
| Risk management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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| Recommendations from impact assessment | | | | |
| Positive | | | | |
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| Negative | | | | |
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| Neutral | | | | |
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| Issues | | | | |
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