

Report to Council
26 February 2019
Report of Director of business services
Subject Council tax reduction scheme (CTRS) 2019-20

Item

7

Purpose

To approve the council tax reduction scheme for 2019-20.

Recommendations

To:

- (1) make the following changes to the council tax reduction scheme (CTRS) for 2019-20 by continuing with the 2018-19 scheme with the following modifications:
 - (a) as in previous years, increase the working-age applicable amount by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (b) increase the level of income brackets used to decide non-dependent deductions, and the level of non-dependent deductions, by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (c) increase the level of income brackets used to decide entitlement to *second adult reduction* by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (d) retain the local discount provision for care leavers;
 - (e) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events;
 - (f) create provision for a local discount of 25% for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work;
 - (g) remove the previous local discount for liable persons where a property is uninhabitable or in need of major repair work or structural alteration (currently 12 months at 50 per cent);
- (2) remove the unoccupied furnished/second home discount (currently 5 per cent);
- (3) subject to the relevant regulations being enacted, increase the surcharge on empty properties and increase the empty homes premium by:
 - (a) 100 per cent for properties empty and unoccupied for 2 years or more;

- (b) 200 per cent for properties empty and unoccupied for 5 years or more;
- (c) 300 per cent for properties empty and unoccupied for 10 years or more.

Corporate and service priorities

The report helps to meet the corporate priority a fair city.

Financial implications

As detailed in the report

Ward/s: All Wards

Cabinet member: Councillor Davis - Social inclusion
Councillor Kendrick - Resources

Contact officers

Anton Bull - Director of business services	01603 212326
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Carole Jowett – LGSS, revenues and benefits operations manager	01603 212684

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. The CTRS helps people on low incomes and/or certain welfare benefits to pay their council tax bill. This provides support to those under the greatest financial pressure.
3. Pensioners have been protected by the government so 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 various changes since then but maintaining the principle of a full support (100% discount) scheme. 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 13 September 2018 to review in detail options. A copy of the papers considered at that meeting is attached as Appendix 1.
7. The council tax reduction scheme cross party working group resolved, unanimously, to recommend the Council Tax Reduction Scheme 2019-2020 to cabinet and council based on the following principles.
 - (a) as in previous years, increase the working-age applicable amount by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (b) increase the level of income brackets used to decide non-dependent deductions, and the level of non-dependent deductions, by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (c) increase the level of income brackets used to decide entitlement to *second adult reduction* by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (d) retain the local discount provision for care leavers;
 - (e) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events;
 - (f) create provision to maintain a single person discount for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work;

- (g) remove the previous local discount for liable persons where a property is uninhabitable or in need of major repair work or structural alteration (currently 12 months at 50 per cent);
- (h) remove the unoccupied furnished/second home discount (currently 5 per cent);
- (i) subject to the relevant regulations being enacted, increase the surcharge on empty properties and increase the empty homes premium by:
 - (i) 100 per cent for properties empty and unoccupied for 2 years or more;
 - (ii) 200 per cent for properties empty and unoccupied for 5 years or more;
 - (iii) 300 per cent for properties empty and unoccupied for 10 years or more.

8. On 6 February 2019, cabinet considered the recommendations of the council tax reduction scheme cross party working group and resolved to recommend the changes to the council reduction scheme.

Consultation

- 9. As preceptors Norfolk County Council and the Office of the Police and Crime commissioner have been consulted on these proposed changes.
- 10. Norfolk County Council agreed to the principles of the proposed changes but requested that the city council explored the following:
 - (a) To limit Council Tax Support where claimant has savings to a lower level than the current £16,000 (Kings Lynn and West Norfolk use £6,000)
 - (b) To limit Council Tax Support discount to occupants of properties no higher than Band D Council Tax.
 - (c) To work with district colleagues across the County to establish the cap for the Council Tax Support discount for working age claimants at a uniform amount in Norfolk, suggested at 75% of the maximum Council Tax charge. The range is currently from 75% - 100%, with only the City Council offering 100% in the County.
- 11. These proposals do not fit into the city council's social inclusion strategy and therefore Cabinet proposes that the proposals from Norfolk County Council are not adopted.
- 12. Norfolk Community Law Service (NCLS) was also consulted. NCLS circulated the consultation to members of the financial inclusion consortium. No adverse comments were received.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet/council
Committee date:	6/2/2019 26/02/2019
Director / Head of service	Anton Bull
Report subject:	Council tax reduction scheme (CTRS) 2019-20
Date assessed:	23/1/2019

	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. The overall impact is therefore assessed at neutral
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"/>	Maintaining the scheme protects the most vulnerable on low incomes
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"/>	

	Impact			
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"/>	
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

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

Recommendations from impact assessment				
Positive				
Negative				
Neutral				
Issues				