


Agenda Item No:	5	
Committee:	Overview and Scrutiny Panel	
Date:	28 November 2017	
Report Title:	Council Tax Support – 2018 scheme	

Cover sheet:

1 Purpose / Summary

Each year the Council is required to review its Council Tax Support (CTS) Scheme. This report advises Overview and Scrutiny of the progress of the 2017 annual review and the resultant proposals for the CTS scheme to take effect from 1 April 2018.

2 Key issues

- Minor changes are proposed to the CTS scheme for 2018, as detailed in this report.

3 Recommendations

- For Overview and Scrutiny to comment on the 2018 CTS scheme set out in this report so that Cabinet and then Council can take them into account when determining the final scheme at their meetings on 14 December 2017.

Wards Affected	All
Forward Plan Reference	This item is included in the Forward Plan
Portfolio Holder(s)	Cllr Chris Seaton – Portfolio Holder for Finance
Report Originator(s)	Geoff Kent – Head of Customer Services
Contact Officer(s)	Brendan Arnold - Corporate Director and Chief Finance Officer Geoff Kent – Head of Customer Services
Background Paper(s)	None

Report:

1 Introduction

- 1.1 Before April 2013, Council Tax Benefit (CTB) was a nationally controlled scheme administered by District and Unitary Councils that give reductions from Council Tax to people on low incomes according to set criteria specified by regulations. The maximum reduction was 100%.
- 1.2 The costs of CTB were fully reimbursed to the Council by the DWP, so that if demand rose or fell, the Council did not bear the costs of these changes.
- 1.3 CTB was localised and replaced by CTS in April 2013. At the same time, Government funding was reduced and CTS was localised, coming under the control of District and Unitary Councils. Whilst pensioners were protected and regulations specified that they must still receive up to 100% CTS, this protection did not apply to working age people.
- 1.4 Unlike CTB, the costs of CTS are borne by Councils. Funding is given by the Government, but this is fixed each year so that Councils bear the costs of an increase in demand but gain from reduced demand.
- 1.5 The implementation of CTS left Fenland with a funding gap, that potentially saw working age customers only being entitled to 80% CTS. However, Members considered the options available to help increase CTS and were able to implement a scheme in 2013-14 that saw working age customers be entitled to up to 91.5% of CTS; in two ways.
- 1.6 Members primarily met the funding shortfall by revising Council Tax exemptions on empty properties, permitted by regulations that changed in 2013. This meant that the Council would no longer give a Council Tax reduction for most empty domestic properties.
- 1.7 The funding shortfall was further closed by a one-off transitional Government grant that applied in 2013-14 only.
- 1.8 In 2014-15 this grant was not available. With demand for CTS not growing as much as was predicted for 2013-14, Members were able to revise the CTS scheme to feature a reduction of 14% CTS for working age customers.
- 1.9 Further annual reviews determined that the CTs reduction remained at 14% in 2015-16, 2016-17 and 2017-18.

2 Reviewing the current CTS scheme and proposing change

- 2.1 Councils are required to review operation of their CTS schemes each year. Where a change is proposed, we are required to undertake customer consultation; the results of which assist in the final decision made by the Council regarding the CTS scheme next year.
- 2.2 This year we are proposing not to change the existing 14% reduction level; but make three other small changes as follows.
- 2.3 Firstly, we propose to update the “applicable amounts”. Applicable amounts are the fixed amounts of money which people are considered to need to live on, which are used when benefits are being calculated. We have updated these every year since 2013, based upon a circular that we receive from the Department for Work and Pensions each year that we use for both Housing Benefit (HB) and CTS.
- 2.4 Secondly, we propose to incorporate changes that have occurred as a result of the Government’s welfare reforms. This will mean that the way we calculate CTS for new claims and changes from 1 April 2018 will take into account the changes to: family premiums; dependence allowances where there are 2 or more children; and eligibility of foreign nationals first entering the UK without employment.
- 2.5 Thirdly, we propose to update the scheme so that customers receiving UC do not need to make a separate application to qualify for CTS and that to qualify for CTS they must make an application for UC.
- 2.6 The majority of customers will see no change. From 1 April 2018, some customers applying for CTS, or whose circumstances change may receive less CTS if they are affected by the Government’s welfare reforms mentioned above.
- 2.7 The second (section 2.4 above) and third (section 2.5 above) changes will affect customers needing to make a new claim either through change in circumstances or making a claim for the first time. We expect the number of people to be effected by these changes to be small.
- 2.8 The third (section 2.5 above) change will help customers who claim UC from next April. Depending on the amount of hours a person works, their UC payment will go up or down. This change means that the amount Council Tax is reduced by can change each month. In order to keep this as simple as possible we want to link the amount of CTS we award to the amount of UC that customers receive. This means that any new claims will only need one application and we can make sure customers get the right amount of CTS.

3 Consulting about our proposals

- 3.1 Customer consultation is central to this review. We have written to all of the 4,170 customers of working age that currently receive CTS asking for their feedback on our proposals enclosing a short survey. An on-line survey has also been set up at www.fenland.gov.uk/CTS2018 and publicised on our website and through social media.
- 3.2 In view of the minor changes proposed, the consultation period has been shortened. It started on 1 November 2017 and ends on 28 November 2017. Officers will give a verbal update regarding consultation progress at the meeting of Overview and Scrutiny on 28 November 2017.

4 The impact of CTS to date

- 4.1 CTS with its associated gap between Council Tax payable and the maximum help working age people can receive has been in operation now for three full years and we are mid-way through the fourth year of its operation.
- 4.2 The table below shows how the amount of CTS awarded and numbers of customers claiming it have changed since CTS was introduced in 2013:-

CTS cases and amount awarded			
Date	CTS awarded	Working age claims	Pensioner claims
1/11/13	£7.68 million	4,682	4,727
1/11/14	£7.49 million	4,641	4,539
1/11/15	£7.33 million	4,487	4,281
1/11/16	£7.10 million	4,063	4,064
1/11/17	£6.97 million	4,170	3,920
Change in last year	-1.83% -£0.13 million	+2.6% +107	-3.54% -144

- 4.3 The reduction in pensioner claims above and similar increase in working age claims is primarily a result of the gradual increase in the state retirement age, resulting in there being fewer pensioners.

5 Customer Impact

- 5.1 The Equality Act 2010 reminded all public authorities of their duty to have 'due regard' to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act,

- Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- Foster good relations between people who share a protected characteristic and people who do not share it.

5.2 Authorities must consider the needs of “protected groups” when making policy decisions, and undertake a Customer Impact Assessment (CIA) to understand the effect of such decisions upon such groups. In doing this, we are required to take the appropriate actions when making changes that may impact negatively on these groups.

5.3 As part of the final decision regarding the approval of the 2018 CTS scheme, Cabinet and Council will consider a full CIA at their meetings on 14 December 2017. The table below shows the initial CIA:-

Customer attribute	Impact	Effects	Mitigating action
Race	Neutral		
Sex	Neutral		
Gender reassignment	Neutral		
Age	Neutral		
Sexual orientation	Neutral		
Religion /belief	Neutral		
Pregnancy /maternity	Neutral		
Marriage /civil partnership	Neutral		
Human rights	Neutral		
Disability	Neutral		

Customer attribute	Impact	Effects	Mitigating action
Socio economic	May adversely impact	<p>Working age households claiming CTS for the first time from 1 April 2018 may have to pay more Council Tax after CTS is taken into account.</p> <p>This means that they may have less money to spend in the local economy as a result.</p>	<p>As well as the statutory 10 instalments, we now offer 12 monthly and 52 weekly instalments to help customers better budget to pay their Council Tax. Weekly payments are particularly helpful for social housing tenants who pay their rent weekly.</p> <p>Our Council Tax Discretionary Relief scheme gives potential extra help to customers in exceptional circumstances who cannot pay their Council Tax.</p> <p>By keeping the reduction at 14% for a further year we are helping budget for their Council Tax payments effectively again.</p>

6 Next steps

- 6.1 This report has given the Panel an update on progress of the annual review of the Council's CTS scheme, and the proposals for some minor changes to be made to it.
- 6.2 Officers will then take the proposed 2018 CTS scheme to Cabinet and then Council at their respective meetings, both on 14 December 2017 for Members to formally determine the scheme.