

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>19 October 2016</b>
<b>Subject:</b>	<b>Local Council Tax Reduction Scheme 2017/18</b>
<b>Report Of:</b>	<b>Ian Fitzpatrick, Director of Service Delivery</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	To consider the 2017/18 Local Council Tax Reduction scheme.
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. That Cabinet recommend to Council that the 2016/17 be adopted as the local scheme for 2017/18</li><li>2. That the Exceptional Hardship fund continues for 2017/18 subject to continued support by the major preceptors</li></ol>
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## **1.0 Introduction**

- 1.1 The coalition government abolished the national Council Tax Benefit scheme from April 2013 and required local authorities to develop and adopt their own scheme of support for working age claimants. This change came with a 10% cut in funding, for the Council this was c£1m.
- 1.2 To protect pensioners from any reduction in support, the government put in place a national scheme that local authorities had to adopt. Therefore, any reduction in support has to come from those of working age.
- 1.3 The Council, on 16 January 2013, adopted a local scheme of support for 2013/14 which, in the main, followed the rules of the Council Tax Benefit scheme, as well as agreeing changes to certain council tax discounts and exemptions.
- 1.4 On 20 November 2015 the Council adopted a revised scheme for 2016/17 that:
- Limited a Council Tax Reduction to 80% of the council tax liability
  - Assumed a minimum income for claimants who have been self-employed for more than 12 months

## **2.0 The current local scheme 2016/17**

- 2.1 The current scheme, which is similar to the schemes adopted by Lewes, Rother and Wealden councils follows the principles of protecting the most vulnerable, incentivising individuals into work and takes into account and meeting the financial pressures on the Council and the major preceptors.
- 2.2 The changes made to the 2016/17 scheme have reduced the cost of the scheme by c£1.2m to c£8.0m against the cost of the scheme in 2015/16.

### **3.0 Exceptional Hardship Fund**

- 3.1 An Exceptional Hardship fund of £47,499 was established for 2016/17 to provide additional support to those most affected by the 20% reduction in liability and the change to the way self-employed claims are assessed. The Council contributed £6,426 to the fund with the remainder coming from the major preceptors in proportion to their share of the Council Tax.
- 3.2 The Exceptional Hardship scheme mitigates the impact of any changes to the current local scheme that severely affects someone's ability to pay the tax due. As at the 31 August 2016 we had made 17 awards totalling £2,876.84.
- 3.3 Discussions will take place with the major preceptors to gain their agreement to continue supporting the fund in 2017/18.

### **4.0 Council Tax Collection Rate**

- 4.1 As changes to the scheme in 2016/17 reduced the amount of support we give by c£1.2m it was expected that this would have an impact on the collection rate. However, the collection rate as at 31 August was 47.07% compared to 47.02% as at 31 August 2015.

### **5.0 Consultation**

- 5.1 As no changes to the current scheme are proposed there is no requirement to consult.

### **6.0 Resource implications**

#### 6.1 Staffing

- 6.2 The current scheme means that all working age recipients of CTR have to pay a minimum amount. This has two major impacts:

- An increase in activity around billing and collection
- An increase in customer contact

- 6.3 There is recognition by the major precepting authorities of the increased workload that billing authorities will see. For 2016/17 they contributed 86% of the staff costs for 2.5 additional FTEs to manage the increase workload. Discussions are taking place around a similar contribution to costs for 2017/18.

#### 6.4 Legal implications

- 6.5 There is a statutory duty to review the scheme annually and make any

decisions no later than 31 January in each financial year.

## **7.0 Equalities**

7.1 As the proposed scheme is unchanged from the current scheme there is no requirement to carry out an Equality and Fairness Analysis.

## **8.0 Recommendations**

- 8.1
- 1) That Cabinet recommend to Council that the 2016/17 scheme is adopted for 2017/18.
  - 2) That the Exceptional Hardship fund continues for 2017/18 subject to continued support by the major preceptors

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### **Background Papers:**

The Background Papers used in compiling this report were as follows:

None