

Body:	Cabinet
Date:	18 October 2017
Subject:	Local Council Tax Reduction Scheme 2018/19
Report Of:	Ian Fitzpatrick, Director of Service Delivery
Ward(s)	All
Purpose	To consider the 2018/19 Local Council Tax Reduction scheme.
Recommendations:	<ol style="list-style-type: none"> 1. That Cabinet recommend to full Council that Eastbourne Borough Council's Council Tax Reduction Scheme for 2017/18 be adopted as the equivalent scheme for 2018/19 2. That the Exceptional Hardship fund continues for 2018/19 subject to continued support by the major preceptors
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1.0 Introduction

- 1.1 The 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 2017/18

- 2.1 The current scheme, which is the same as the 2016/17 scheme, is similar to the schemes adopted by Lewes, Rother and Wealden councils and 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 cost of the scheme for 2017/18 is likely to be in the region of £7.9m, which is £1.5m less than the original scheme for 2013/14.

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. Of this amount there was £42,143 available to spend in 2017/18.

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.

3.3 Discussions will take place with the Council's major preceptors to gain their agreement to continue supporting the fund in 2018/19.

4.0 Council Tax Collection Rate

4.1 The collection rate for 2016/17 was 97.06% compared to 97.05% for 2015/16.

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 and 2017/18 they contributed 86% of the staff costs for 2.5 additional FTEs to manage the increase workload and have agreed to continue this level of funding for 2018/19.

6.4 Legal implications

6.5 The recommendations in this report reflect the duty on the Council under Part 1 of the Local Government Finance Act 1992 to review the scheme

annually and make any determination no later than 31 January in respect of the Scheme to apply in the following financial year.

Under section 67 of the 1992 Act, adoption of a Council Tax Reduction Scheme is reserved to full Council. The role of Cabinet is to consider the proposed Scheme and make a recommendation to Council, with any amendment to the Scheme it considers appropriate.

6.6 **Financial Implications**

6.7 None directly as all resources to develop and implement the scheme are within base budget. The likely effects on the tax base are outlined referenced in section 2.

7.0 **Equalities**

7.1 An Equality and Fairness Analysis was carried out on the 2016/17 as this was the last occasion on which changes were made to the scheme. 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 2017/18 scheme is adopted for 2018/19.
 - 2) That the Exceptional Hardship fund continues for 2018/19.

lead officer name: Bill McCafferty

job title: Functional Lead for Thriving Communities

Background Papers:

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

Local Council Tax Reduction Scheme 2017/18

Lawyer consulted 22.9.17. Legal ref: 006714-EBC-OD.

To inspect or obtain copies of background papers please refer to the contact officer listed above.