

## **Report to Council**

**Subject:** Council Tax Reduction Scheme  
**Date:** 16<sup>th</sup> November 2016  
**Author:** Service Manager – Revenues and Benefits

### **1. Purpose of the Report**

This report seeks approval that, for the financial year 2017/18, the Council continues to apply its current Council Tax Reduction Scheme (CTRS) without revision.

### **2. Background**

1. Members will recall that from 1st April 2013, the Council Tax Benefit Scheme was replaced by a localised support scheme for Council Tax known as the Council Tax Reduction Scheme (CTRS). All billing authorities (district and unitary authorities) were required to devise their own scheme and on 19<sup>th</sup> December 2012, following a full consultation exercise, the Council adopted a Council Tax Reduction Scheme very similar to the previous national Council Tax Benefits scheme but with the following main differences for working age residents:-
  - a) No entitlement to CTRS for claimants whose savings were greater than £6,000.
  - b) No entitlement to CTRS where claimants had in excess of £16,000 in capital
  - c) Removal of the Second Adult Rebate.
  - d) A flat rate non-dependant deduction of £7.50 for each adult member of the household.
  - e) Automatic backdating of CTRS for a maximum of 3 months.
  - f) Entitlement to the extended payments “back to work” incentive for the long term unemployed, increased from four weeks to twelve weeks.
2. On 22<sup>nd</sup> January 2014 Council resolved to adopt the CTR Scheme that included provision to allow for the annual uprating of allowances and premiums without this being classed as a material change to the scheme, which would then have required consultation. This is the scheme currently used by the Council.
3. The DCLG also issued guidance on other administrative matters to be considered, such as duties to vulnerable people, and that schemes should contain work incentives. The

Gedling CTR scheme will continue to contain all of these in the form of income and earnings disregards (in line with housing benefit levels) and protection from restricted liability for severely disabled people.

4. Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 requires the Council to consider whether its CTRS is to be revised or replaced for each financial year. Where the scheme is to be revised or replaced the Council must make such a decision no later than 31<sup>st</sup> January in the financial year preceding that for which the revision or replacement scheme is to have effect.

### **3. Funding arrangements**

1. Central government fund their share of CTRS via the Revenue Support Grant mechanism which has been reduced year on year and is likely to be removed by the end of 2020/21. Therefore, any shortfall in funding of the Council Tax Reduction Scheme would have to be met by a combination of:
  - Raising more income through further changes to Council Tax empty property discounts
  - Additional income through the Business Rates Retention Scheme
  - Raising income or reducing expenditure through other service area efficiencies
  - Reducing the total spend on the Council Tax Reduction scheme
2. The current scheme was agreed based on a caseload and expenditure forecast, both of which continue to reduce. For 2017/18, the caseload is expected to reduce by 1-2% giving anticipated expenditure for the year of approximately £7m. Based on that forecast it is anticipated that a scheme based on a 100% discount of Council Tax for the most vulnerable would still be affordable for 2017/18.
3. On this basis officers are satisfied that the current CTRS scheme is suitable and does not require replacement or amendment.

### **4. Proposal**

It is proposed that the current Council Tax Reduction Scheme continues for the financial year 2017/18 without revision, except for any relevant national uprating which is covered within the current scheme.

### **5. Resource Implications**

1. The total discounts given under the CTRS are estimated to be £7m for the 2017/18 financial year.
2. There are no additional financial implications.

## **6. Recommendation**

**THAT:**

**The Council continues to apply the current Council Tax Reduction Scheme (CTRS) for the financial year 2017/18 without revision.**

## **7. Appendices**

1. Current Scheme (The appendix to this report is available online or in hard copy in the Members' Room).