

## **Report to Council**

**Subject:** Council Tax Reduction Scheme  
**Date:** 22<sup>nd</sup> January 2014  
**Author:** Service Manager – Revenues and Benefits

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

1. This report details the results of the recently completed Council Tax Reduction Scheme (CTRS) consultation and seeks approval to revise the current scheme for the financial year 2014/15.
2. It is proposed that the Council confirms the continuation of the current CTRS that was implemented 1<sup>st</sup> April 2013 and to now include the proposed amendments for the 2014/15 financial year and beyond as specified in Appendix B.
3. In brief, the amendments are, that for working age claimants, assessments for entitlement will include up-ratings (e.g. of applicable amounts) similar to those prescribed for pensioners by Central Government for 2014/15.
4. This will demonstrate that the Council has continued to consider its obligations to support vulnerable groups by maintaining the income disregards and premiums to protect families with children and customers with disabilities.

### **2. Background**

1. Members will recall that from 1 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 customers:-
  - a) No entitlement to CTRS for claimants whose savings are greater than £6,000.
  - b) No entitlement to CTRS where claimants have 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.
  - g) An automatic award of a “Transitional Relief payment” to ensure those working age customers affected by the above changes would not be required to pay more than 8.5% of their Council Tax Liability during financial year 2013/14.
2. At November 2013, the number of working age customers eligible for CTRS was 4791 compared to November 2012 which was 4959, a decrease of 168 claims. The number of pensioners eligible for CTRS at November 2013 was 4186 compared to November 2012 which was 4390, a decrease of 204 claims. The overall case load has dropped from 9349 in November 2012 to 8977 in November 2013, a total reduction of 372 claims.
3. As at the end of November 2013, the total amount of CTRS awarded is £7,676,051 which is in line with the forecast expenditure for 2014/15.
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.
5. In addition, before revising it's Scheme, there is a statutory duty on the Council to consult with any major precepting authority and such other persons as it considers are likely to have an interest in the operation of the Scheme.
6. In accordance with this, on 11<sup>th</sup> November 2013, the Council commenced a formal 4 week consultation process with:-
- a) Nottinghamshire County Council.
  - b) Nottinghamshire Police Authority
  - c) The Combined Fire Authority
  - d) The Citizens Advice Bureau.
7. Details of the proposed changes were placed on the Councils' website inviting residents to comment. The Police, Fire Authority and the Citizens Advice Bureau all responded and agreed with the proposed changes. There were no other responses.
8. The Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. An Equality Impact Assessment (EIA) of the 2013/14 CTRS was reported last year and, due to the minor changes this year, there are no additional equality implications

necessitating a further EIA. A copy of the original EIA is appended to the Cabinet report dated 6 December 2012 and can be accessed by Members on the Council's website.

### **3. Proposal**

1. It is proposed that minor changes are made to the current scheme to include up-ratings for working age customers similar to the up-ratings set by Central Government in its prescribed requirements amendments for pensioners. The wording of the 2013/14 scheme limited up-ratings only to that year.
2. In addition, it should be noted that for the 2014/15 scheme there will be no "Transitional Relief payments" for working age customers as this was an introductory temporary grant-funded initiative by Central Government for the 2013/14 financial year only.

### **4. Resource Implications**

1. The total discounts given under the CTRS are estimated to be £7.6m for the 2014/15 financial year.
2. There are no additional significant financial implications for the 2014/15 year as the proposed changes to the existing scheme are minor.
3. The removal of "Transitional Relief Payments" will result in approximately £116,000 less CTRS payments to claimants.

### **5. Recommendation**

**THAT:**

**The Council agrees to revise the Council Tax Reduction Scheme (CTRS) as set out in Appendix B and adopt it for the financial year 2014/15.**

### **6. Appendices**

1. Appendix A - Copy of the consultation letter sent to precepting authorities and responses from the Police and Fire Authorities.
2. Appendix B - Gedling Borough Council's proposed 2014/15 Council Tax Reduction Scheme.