

**COUNCIL**

**30 November 2016**

**LOCAL COUNCIL TAX SUPPORT 2017/2018**

**Executive Member for Finance & Governance – Councillor Nicky Walker**

**Strategic Director of Finance, Governance & Support – James Bromiley**

**PURPOSE OF THE REPORT**

1. To approve the Council Tax Support (CTS) scheme for 2017/2018.

**BACKGROUND**

2. On 9 January 2013, Council approved the local CTS scheme for 2013/2014 following a public consultation exercise and an options appraisal as to how the local scheme could operate.
3. The local CTS started on 1 April 2013 and replaced the previous national Council Tax Benefit (CTB) scheme. The current scheme requires working age claimants to pay at least 20% of their Council Tax. Older persons in receipt of a state pension are protected from any reduction under national regulations.
4. All Councils are required to set a CTS scheme each year and there are no significant changes to the existing scheme for 2017/2018.

**CURRENT POSITION**

5. The position regarding Council Tax Support as at 14 October 2016 is set out in Appendix 1.
6. The overall collection rate as at 14 October 2016 in respect of claimants of CTS is 49.9%. While over 83% of claimants make all or some payment, there are clearly a number of financially disadvantaged household who are financially unable to meet their council tax liability, with 17% of residents receiving CTS making no payments to date.
7. The Council currently makes limited provisions to support these disadvantaged households, although since the inception of CTS, every working age resident receiving CTS has received some assistance.

**PROPOSALS**

8. No changes are proposed to the existing criteria for the CTS scheme (other than in respect of changes arising from national regulations and the national CTS scheme for Pensioners). These will be published by 31 January 2017. However, there will be increased publicity in relation to the Hardship Fund, with the aim of improving the take-up of the scheme by the most in need.
9. To reflect the level of disadvantage in the Middlesbrough community it is proposed that the CTS should continue to reflect the following protections:
  - (i) the family premium is retained at the current rate in the 2017/2018 scheme to protect families and ensure they are not disadvantaged by reducing their applicable amount (which relates to their individual circumstances)
  - (ii) the existing 6 month timeframe for working age claimants to ask for backdated CTS to be considered is retained (as opposed to reducing this to 1 month in line with amendments made to Housing Benefit regulations).
  - (iii) The Hardship Fund is promoted further with increased publicity, with the aim to increase the take up of those most in need of support.

## **HARDSHIP FUND**

10. The Council recognises that some individuals experience genuine hardship in meeting their financial obligations and therefore the Council operates a hardship fund to help those who are considered to be unable to pay their council tax. This is a discretionary scheme and the cost of assisting such residents is met by the Council.
11. The number of applications for such help since the inception of CTS has previously been very small. The Council will encourage uptake, promoted through the Council's website and also detailed in any recovery documents sent by the Revenue Services section for non-payment of Council Tax. The Council will provide support to those individuals on condition that they pay their contribution.
12. By promoting the hardship fund, this will assist the most vulnerable residents who are genuinely struggling to pay their Council Tax and may well be subject to other welfare reforms, such as the Benefit Cap and the Under Occupancy charge (bedroom tax).

## **EQUALITY IMPACT ASSESSMENT**

13. As there are no plans to change the scheme, the original Equality Impact Assessment carried out when the scheme was first introduced from 1 April 2013 has been reviewed. This updated Impact Assessment identifies that there are no disproportionate adverse impacts on any groups or individuals with characteristics protected in UK equity law. A copy of the previous assessment is included with this report.

## **LEGAL CONSIDERATIONS**

14. There are no legal implications in respect of the changes proposed for 2017/2018 as the scheme remains the same apart from some minor changes included in the national regulations.

## **FINANCIAL CONSIDERATIONS**

15. The Council has a hardship fund of £300,000 available within the Community Support budget. This will be monitored throughout the year to ensure support is provided to those most in need. Regular updates will be provided to the Strategic Director and the Executive Member for Finance and Governance in respect of uptake and expenditure.
16. CTS claimants are required to pay at least 20% of their Council Tax. This means that all people of working age pay some Council Tax under the existing scheme.
17. The allowances for children will continue to be based on the number of children resident in the household as opposed to limiting the allowances to 2 children, as is the case with Housing Benefits for a third or subsequent child born on or after 6 April 2017.
18. Although the collection figures detailed above are lower for those receiving CTS than the overall in-year collection figures, the Revenue Services section will continue to actively pursue the outstanding debt which is owed to the Council.
19. The option of absorbing more of the cost of the CTS scheme, or amending the percentage working age claimants have to pay remains an option for future years.
20. In addition, the scheme for 2018/2019 will be thoroughly reviewed by the end of June 2017 in order to consider if any changes should be made given that the scheme will then have been in operation for 4 financial years. If changes are proposed, a full consultation exercise will be undertaken with details provided of the Financial Implications for each proposal.

## **RECOMMENDATIONS**

21. It is recommended that the Council :-
  - (i) Note the content of the report
  - (ii) Approve the Council Tax Support scheme for 2017/2018.

## **REASONS**

22. The Council has to publish a local CTS scheme for 2017/18 by 31 January 2017.

## **BACKGROUND PAPERS**

None.

**AUTHOR**

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## Appendix 1 - Council Tax Support Scheme (CTS)

2016/2017 – CTS claimants / values as at 14 October 2016

<b>Properties</b>	<b>Number</b>
Number of properties liable to pay Council Tax	60,305 (100%)
Number of CTS recipients	20,109 (33%)

<b>CTS recipients</b>	<b>Total</b>
Pensioners receiving full CTS	4,131 (21%)
Pensioners receiving partial CTS due to income	2,657 (13%)
Working age claimants	13,321 (66%)
<b>Total</b>	<b>20,109 (100%)</b>

<b>Payments – no of residents</b>	<b>Total</b>
Council Tax paid in full / full CTS awarded	6,157 (31%)
Council Tax partially paid	10,515 (52%)
No payments made	3,437 (17%)
<b>Total</b>	<b>20,109 (100%)</b>

<b>Collection Rates</b>	<b>Percentage</b>
Collection rate for CTS claimants (14 Oct 2016)	49.9%
Overall collection rate (14 Oct 2016)	57.0%