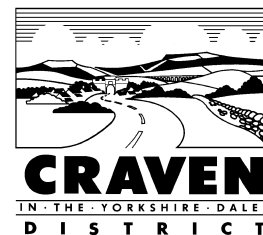


Policy Committee – 19th July 2016



Council Tax Reduction Scheme for 2017/18.

Report of the Corporate Head – Business Support

Lead Member – Councillor Dawson

Presenting Officer – Revenues and Benefits Manager

Ward(s) affected: All

1 Purpose of Report – To review options regarding the current council tax reduction scheme.

2. Recommendations – Members are recommended to:-

2.1 Authorise consultation on the amendment of the Craven's Council Tax Reduction scheme (CTR) to include the main changes applied to Housing Benefit (HB) by DWP (as approved by Parliament)

3 Background

3.1 Craven Council tax Reduction Scheme has remained unchanged for 2 years so now requires a full review.

3.2 When Council Tax Reduction (CTR) was introduced it was done so on the condition that it cost at least 10% less than Council Tax Benefit Expenditure which was £3627602 in its last year. CTR expenditure in previous years has been :-

YEAR	EXPENDITURE £
2013/14	2779369.25
2014/15	2560720.32
2015/16	2464994.50

3.3 Given the CTR expenditure is well within the 10% figure there is no pressure to make additional savings within the scheme. Additionally it must be noted that any changes applied to the local scheme will only impact on non pensionable age claimants which is approximately 33% of the caseload.

4 Proposed changes

4.1 The changes are:-

- 1) Removal of Family Premium for all new claims.
- 2) Changes to temporary absence rules for all persons who leave GB (4 weeks).
- 3) Severe Disability Premium not to be granted where a person receives Universal Credit (Carer Element) for them.
- 4) Dependants will be limited to 2 (in line with amendments to housing benefit as specified in the summer budget 2015) for new claims after April 2017 – certain exemptions will apply.
- 5) New claims for Employment Support Allowance (Work Related Activity Group) will not receive Work Related Activity Component.

5 Caseload and expenditure

5.1 As at 1st June 2016 the CTR caseload was 2782 of which 1128 are of working age.

6 Impact of the changes

6.1 The changes in 4.1 will impact on working age families who make a new claim after 1st April 2017 and those who are absent from their property for over 4 weeks. The actual financial impact is impossible to calculate however none of the changes will increase expenditure to Craven DC.

7 Future changes beyond 2017/18

7.1 The scheme should be reviewed every year to take account of changes to other benefits as welfare reform continues.

8 Financial and Value for Money (vfm) Implications

8.1 There is no increased expenditure to the CTR scheme. By aligning to HB changes the authority saves on software upgrades (funded by DWP) and general administration.

9 Legal Implications

9.1 A billing authority must make a Council Tax Reduction scheme as specified in Section 13A of the Local Government Finance Act 1992 as amended in 2012. The scheme must comply with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended).

9.2 The authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect. Revisions to any scheme are subject to statutory consultation requirements.

10 Contribution to Council Priorities

10.1 This report supports the delivery of the Council's Financial Resilience priority.

11 Risk Management

11.1 Minimal risks are anticipated (i.e. Council Tax collection and disputes), however these will be closely monitored and managed. It must also be noted that Discretionary Housing Payments are available to offset the reductions in Housing Benefit which will be more substantial than the reductions in CTR. Such payments will reduce the financial impact on some claimants although they cannot be used directly to pay Council Tax.

12 Equality Analysis

12.1 An Equality impact assessment has been completed, which demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to promote equality have been taken. A copy of the assessment is attached for information.

13 Consultations with Others

13.1 Full consultation is required and will take place during August and September 2016. (ACS commissioned to do this as part of NYBG agreement)

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Note : Members are invited to contact the author in advance of the meeting with any detailed queries or questions.