

Item 5 - Council Tax Reduction Scheme

The attached report was considered by the Finance Advisory Committee on 24 May 2016, relevant Minute extract below:

Finance Advisory Committee on 24 May 2016 (Minute 13)

The Head of Revenue & Benefits presented a report that updated Members on the progress that had been made on the review of the Council Tax Reduction (CTR) Scheme. In 2013 a three year scheme was introduced, which had been rolled on to 2016/17, but a new scheme was required thereafter.

The Kent Finance Officers' group, together with an external consultant, had investigated the options for a new scheme. They had taken into account objectives to make the scheme less costly and more efficient and to have regard to the impact of changes on vulnerable residents and target support for those most in need. An [Equality Impact Assessment](#) was tabled for Members' consideration.

Prior to the implementation of any change to CTRS, authorities were required to consult with the public. Members were asked to agree the options which were to be consulted on and to give delegated authority to the Chief Finance Officer and Finance Portfolio Holder to finalise the consultation material. The Head of Revenues & Benefits explained that a number of the proposed options for the consultation in Appendix B were to ensure that CTRS realigned with Housing Benefit regulations, for the ease of customers. A Minimum Income Floor for self-employed claimants was to align with Universal Credit.

The Chairman suggested that the Council not consult on including Child Benefit and Child Maintenance in the assessment of income, due to the impact they would have on households with children.

Members discussed the level of support which should be given to self-employed people if their businesses were unsuccessful. Officers advised that their accounts would usually be accepted if certified.

The Committee also considered the introduction of a band cap at the equivalent of a Band D charge and noted that affected residents may be able to move to lower banded properties.

Members raised concerns at the number of options residents would reasonably be able to consider during the consultation.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty and that residents may fall into more than one category of affected person.

Resolved: That it be recommended to Cabinet that

- a) the work undertaken thus far within Kent collectively, the resultant Options Appraisal set out in Appendix A to the report and the Kent Finance Officers' group recommendation that any new Council Tax Reduction (CTR) Scheme should be based on the current scheme but with a series of potential modifications upon which should be consulted on, be noted;
- b) a consultation be launched on the potential introduction of a range of modifications to the current CTR Scheme for working age claimants as follows
 - i) increasing the minimum contribution rate for working age claimants to 20% or (up to) 25%;
 - ii) introducing a Minimum Income Floor for self-employed claimants (based upon the living wage at 35 hours per week for full time or 16 hours a week for part-time workers);
 - iii) reducing the capital limit to £6,000;
 - iv) introducing a band cap at a band D; and
 - v) aligning regulations of the current CTR scheme with Housing Benefit and (prescribed) Pension Age CTR scheme.
- c) through the consultation, views be sought as to whether an Exceptional Hardship Policy should be incorporated as part of the scheme;
- d) through the consultation, views be sought on other ways of meeting the demands highlighted through the report other than changing the existing Council Tax Reduction Scheme;
- e) the proposed arrangements in respect of consultation be endorsed and, subject to there being no significant changes required to the above proposals following the outcome of approvals by other Kent district councils, delegated authority be given to the Chief Finance Officer to finalise the consultation material in liaison with the Finance Portfolio Holder.