

## Item 6 (c) - Council Tax Reduction Scheme 2017/18

The attached report was considered by the Cabinet on 10 November 2016 relevant minute extract below:

### Cabinet - 10 November 2016 (Minute 41)

The Head of Revenues and Benefits presented the report which set out options for the Council Tax Reduction Scheme (CTRS), the results of the resident consultation and the equality impact assessment. Members were asked to consider the information set out and make recommendations for the CTRS to be adopted for 2017/18 to be implemented with effect from 1 April 2017.

Through the Local Government Finance Act 2012 the Government abolished council tax benefit and placed a requirement on local authorities to have their own Council Tax Reduction Scheme (CTRS) from 1 April 2013. Each financial year the Council was required to confirm or revise its existing CTRS.

Due to timescales it had not been possible for the Finance Advisory Committee to consider the report before Cabinet, but all Members of the Advisory Committee had been invited to attend the meeting.

The Head of Revenues and Benefits set out the options agreed for consultation by Cabinet on 14 July 2016. He explained that the Council had made every effort to promote the consultation through personalised letters, social media and a video, all of which generated 164 replies.

Full details of the responses were set out between pages 19 and 54 and between pages 55 and 60 in the report under consideration, with the latter being Kent County Council's response.

The Head of Revenues and Benefits explained that all responses had been carefully considered but KCC's response was particularly important to note because of their provision of an annual payment of £125,000 to help mitigate the impact of the Council's scheme being less generous than the fully subsidised Council Tax Benefit scheme abolished in 2013. He stated that in addition, whilst they support cost reduction options, they also support the concept of an Exceptional Hardship Scheme which they and the major preceptors agree should be subsidised through the Collection Fund. He asked Cabinet to take into consideration the consultation responses and the Equality Impact Assessment detailed between pages 71 and 82 of the report and to consider and agree the recommendations made on pages 9 and 10.

Members were requested to note that following the consultation it was proposed that the assumed level of earnings for self-employed claimants

would be introduced after two years of trading, not one year as in the original proposal.

### Public Sector Equality Duty

Members noted Appendix D to the report detailing the consideration which had been given to impacts under the Public Sector Equality Duty.

**Resolved: That it be recommended to Council that**

- a) the outcome of the public consultation and the consultation with Kent County Council as set out at Appendix A and B to the report be considered and noted;
- b) the potential impacts of the proposed changes on working age claimants with the protected characteristics of disability, age and sex, as set out in the Equality Impact Assessment at Appendix D to the report, be noted;
- c) the following amendments to the current CTRS be adopted and take effect from 1 April 2017:
  - i. the maximum level of support for working-age claimants be reduced from 81.5% to 80%;
  - ii. the Family Premium be removed for all new working-age claimants;
  - iii. the backdating provision be reduced from six months to one month;
  - iv. as a result of concerns raised through consultation, a minimum level of income be introduced for self-employed earners after two years of trading (rather than one year as initially proposed);
  - v. the period for which a person can be absent from Great Britain and still receive Council Tax Reduction is reduced from thirteen weeks to four weeks;
  - vi. foreign nationals with limited immigration status (Persons from Abroad) are excluded from receiving Council Tax Reduction; and
  - vii. a scheme to help claimants suffering exceptional financial hardship is introduced.
- d) subject to Government making the relevant amendments to the Housing Benefit regulations, the following amendments to the current CTRS be adopted and take effect from 1 April 2017:
  - i. the Work Related Activity Component is removed from the calculation of Council Tax Reduction for new claims from

working-age claimants who are in receipt of Employment and Support Allowance; and

- ii. the dependent child addition used in the calculation of Council Tax Reduction is limited to a maximum of two children.
- e) the Exceptional Hardship Policy as set out at Appendix C to this report be adopted.