

Council Tax Reduction Scheme 2019 - 2020

1. Contacts

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2. Recommendation

- 2.1. **That the Director of Residents Services after consultation with the Cabinet Member for Residents Services be authorised to prepare and consult on a Council Tax Reduction (CTR) Scheme for 2019-2020 with the final proposed scheme being brought back to the Cabinet in November 2018.**
- 2.2. **Following a review of the current CTR scheme officers have identified some minor amendments that are required in order to ensure that the scheme provides the same level of support that it has in previous years. It is proposed that consultation on this and the general principles of the scheme remaining the same be carried out.**

3. Background

- 3.1. The Welfare Reform Act and Local Government Finance Acts of 2012 abolished the national council tax benefit scheme and put in place a framework for local authorities to create their own local council tax reduction (CTR) schemes from April 2013. The funding regime also changed with the introduction of localised schemes, with administration being funded by the Ministry of Housing, Communities and Local Government (MHCLG).
- 3.2. The government legislated that people of pensionable age would continue to receive support based on national rules so local schemes only apply to working age claimants.
- 3.3. Since its introduction Chichester District Council's local scheme has broadly followed the rules of the council tax benefit scheme that existed prior to April 2013 and the current Housing Benefit (HB) scheme. This has meant that applicants for support have been supported as much as they had been under the previous scheme arrangements.
- 3.4. In 2018 the Chichester District Council introduced a banded scheme for Universal Credit claimants. This was in line with the scheduled roll out of Universal Credit Full Live Service (UCFS) across the District from April 2018. However the roll out schedule for UCFS was slowed by the Government to allow for some easements to

be legislated for, this includes the abolition of the 7 day waiting period, increase in advance payments, extended payments for those transitioning from housing benefit and a simpler process for alternative payment arrangements. This resulted in UCFS roll out for Chichester being delayed until July 2018. Further to this no new claims for UC were accepted across the district with the closure of the claim gateway at the end of 2017 until UCFS roll out. This means that Chichester has seen no new UC claims since 1 January 2018.

- 3.5. As a result the Council has been unable to establish the full impact of the implementation of the banded UC scheme. Of the small number of UC claims that we have few are in work. Therefore it is difficult to establish whether the current band levels in place are set at a level to maintain entitlement to CTR at levels that have been awarded in previous years. In previous years the Council have been keen to support its communities by maintaining similar levels of payment. The aim of the scheme at implementation was to maintain support levels, but to benefit from the simplicity of the scheme in terms of its administration with a view to making savings in this cost.
- 3.6. Since the introduction of the banded scheme it has become apparent that some minor amendments to the scheme are necessary. This includes:
- The alignment of the start date of council tax reduction with housing benefit. This will ease administration of the scheme.
 - To disregard childcare costs for UC claims.
 - To introduce a flat rate non-dependant deduction for UC claims.
 - To develop the discretionary policy that sits alongside the scheme to ensure that we have a safety net for any claimants that are disadvantaged by the scheme, particularly the UC banded scheme.
- 3.7. Officers are also seeking to consult on the addition of some other amendments that aim to ensure that the scheme develops in a way that is cost effective to administer based on the assumption that the Council wishes to retain existing levels of support to its communities. These include:
- The introduction of De Minimus parameters for working age claims. This enables a change variance value to be set for this group whereby they will not see any change to their entitlement if their income increases or decreases within a small range. This reduces the cost of administration for this group of claimants who often have small changes in income. At present these changes would generate a revision to entitlement and therefore a new bill.
 - Adjusting the bandings of the UC banded scheme.
 - Developing a banded scheme for working age claimants that are not in receipt of UC. As UC rolls out further, and our existing caseload migrates onto UC (by 2022) we need to ensure we have a working age scheme that is easy to understand and cost effective to administer. A banded scheme offers this, particularly as we will not benefit from the advantages of having a combined Housing Benefit claim.

4. Outcomes to be Achieved

- 4.1 Preparation of and consultation on a CTR scheme that continues to support those that require assistance in our communities while being cost effective in terms of its administration. The results of the consultation and design testing will inform the scheme for 2019-2020 that will be brought back to Cabinet for approval in November 2018.

5. Proposal

- 5.1. That officers design and consult on a CTR scheme that includes some necessary minor adjustment as detailed in 3.6. The consultation will also include some alternatives as detailed in 3.7. These will not necessarily lead to proposals but may inform the direction of the scheme in future years, particularly as UC rolls out further.

6. Alternatives Considered

- 6.1. The Council could choose not to implement any changes and to leave the scheme as it is for the 2017-2018 year. This could result in the decision that a consultation was not necessary. However good practice guidance from the Ministry for Housing, Communities and Local Government suggests that consultation should always be considered and carried out, even if no changes are proposed.
- 6.2. The Council could also decide to consult on different proposals.

7. Resource and Legal Implications

- 7.1. The introduction of a local CTR scheme has meant a switch from a fully funded scheme to one where the funding forms part only of the central grant. The level of funding has not been protected at its previous level. In order to retain levels of support for claimants this deficit has been offset, in part, by council tax charged on second homes and empty properties.

8. Consultation

- 8.1. Consultation on the CTR scheme will be required with those organisations receiving major precepts ie West Sussex County Council and Sussex Police and Crime Commissioner and with other members of the community, both individuals and organisations such as Housing Associations. .

9. Community Impact and Corporate Risks

- 9.1. No implications for the CTR scheme at this stage.
- 9.2. Since the introduction of Local Schemes in 2013 the Council has not reduced the level of support provided. This is unique with a large proportion of other Council's reducing the levels of support. This commitment ensures that the most vulnerable persons in the District are supported.

- 9.3. Since April 2013 we and the precepting authorities have seen a reduction in tax base resulting from the implementation of the council tax reduction scheme. The income generated from locally defined discounts has helped to off-set this loss.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change		X
Human Rights and Equality Impact Equalities impact assessment not required at this stage but will be required before the scheme is finalised.	X	
Safeguarding		X
General Data Protection Regulations GDPR		X

11. Appendix

None

12. Background Papers

<http://www.chichester.gov.uk/counciltaxreduction>