

Council Tax Reduction Scheme and review of Council Tax review of locally defined discounts and premia for 2017/18

Appendix 1: Proposed changes to the CTR scheme for the 2017/18 financial year

- 1.1. Officers are seeking authority to consult on changes to the base liability used in the CTR calculation. This can be achieved by restricting the band of property on which a claim can be made and/or restricting the percentage liability to be used.
- 1.2. The option of restricting the band means that CTR entitlement would be calculated on the basis that the claimant's liability was based on either a band C or D depending on the option chosen. If their council tax liability falls into higher valuation band they would be required to make up the shortfall. This option means that only those claimants who reside in a property with a valuation band above the threshold would have their CTR restricted. It would not affect all working age CTR claimants and some would still receive 100% CTR.
- 1.3. A change to the base liability is a fairer way of restricting entitlement. The CTR calculation will be based on 90% or 95% of the claimant's council tax liability with every claimant being required to make up the shortfall.
- 1.4. Another option is to combine both restrictions (restrict both the base liability and the valuation band) which would mean that all working age CTR claimants would be required to pay some council tax.
- 1.5. This table shows the financial effects of the various options on which officers are seeking authority to consult.

Proposal	Total Cost of CTR Scheme	Overall Effect
Opening Figures	£6,619,698	
Restrict to Band C	£6,599,093	-£20,605
Restrict to Band D	£6,610,903	-£8,795
Based on 90% of the liability	£6,239,877	-£379,821
Based on 95% of the liability	£6428,534	-£191,165

- 1.5 It is acknowledged that in asking all residents to make minimum payments there may well be a disproportionate cost of collection. Officers are exploring the policy of setting up a discretionary hardship fund and the possibility of having an amended recovery cycle for CTR claimants who fall into arrears.