

TEIGNBRIDGE DISTRICT COUNCIL

EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Stuart Barker

DATE: 4th December 2018

REPORT OF: Tracey Hooper
Revenue, Benefits and Fraud Manager

SUBJECT: Council Tax Reduction Scheme for 2019-20

PART I

RECOMMENDATIONS

The Executive is recommended to consider the Council Tax Reduction Scheme for 2019-20 (unchanged from 2018-19) and recommend its adoption to Council on 14th January 2019.

1. PURPOSE

- 1.1 To provide members with an update on the operation of our local scheme during 2018-19 attached at appendix A and to request the continuation of the scheme for 2019-20 be recommended to Council.

2. BACKGROUND

- 2.1 The national council tax benefit scheme was abolished with effect from 1 April 2013 and replaced with locally agreed council tax reduction schemes. Pensionable age claimants were protected from any change but, from 1 April 2013, the extent of reduction for working age claimants could be determined locally. At the same time government funding for the scheme was reduced by 10%.
- 2.2 Teignbridge worked in collaboration with the other Devon authorities to design and implement a locally devised framework within which each scheme could be adapted to suit the individual requirements of respective authorities. It was agreed across the Devon authorities, including County, Police and Fire, that each billing authority would strive to deliver a 'cost-neutral' scheme.
- 2.3 In 2013-14 Teignbridge achieved this by reducing the level of discount given to second homes and empty properties, and removing second adult rebate,

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supplemented by a central government transitional grant. This grant was paid for one year only.

- 2.4 In 2014-15, to offset the loss of the transitional grant, two new measures were introduced: Band D restriction and a £6,000 capital limit.
- 2.5 No changes were made to the scheme in 2015-16 or 2016-17 but, in order to align with changes made by central government to other welfare benefits, a number of changes were made in 2017-18. Three of these changes were financial, but only one of these, the Minimum Income Floor for self-employed claimants, reduced the amount of award currently being received by claimants.
- 2.6 No changes were made to the scheme in 2018-19
- 2.7 We are the only local authority in Devon, and one of only around 37 nationally that continues to pay up to 100% of council tax liability.

3. SCHEME COSTS AND FUNDING

- 3.1 Council tax support cost continues to go down and was just under £8.85 million at the end of October which is £334,000 below the original estimate of £9.2 million. Council tax support falls directly to Teignbridge including parishes (12.6% together), county, fire and police and is being monitored monthly.
- 3.2 We have current high levels of employment which has led to a drop in the number of claimants requiring support. Improved initiatives for detecting fraud and error, and the scheme changes outlined in section 2 of this report have also contributed to the reduction in spend. Changes in unemployment or economic downturn could reverse the numbers.
- 3.3 Although the cost of the scheme has reduced, over recent years the funding which was rolled into RSG has disappeared as RSG has been eliminated for future years. The only funding we receive is to help support the administrative cost of the scheme.

4. EXCEPTIONAL HARDSHIP POLICY (EHP)

- 4.1 Because of the changes made to our scheme in 2017-18, members approved the adoption of an EHP. The purpose of this policy is to mitigate against any hardships experienced by claimants.
- 4.2 It allows for a discretionary payment to be made to any claimant who receives less or no CTR as a result of changes to the scheme and who is unable to meet their council tax liability as a consequence of this.
- 4.3 In 2017-18 we made 29 awards of EHP, totalling just under £14,000. At the end of Quarter 2 2018-19 we had awarded £1,376. Because we continue to pay up to 100% support the demand for EHP is low. The cost of awarding relief is shared equally by Teignbridge and its major preceptors.

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5. REASONS FOR RETAINING CURRENT SCHEME

- 5.1 The current scheme is working well, costs are dropping, and demand for exceptional hardship is low. Also, our collection rates remain high – 98.6% in 2017-18 and performance to date for 2018-19 is similarly high.
- 5.2 The precepting authorities, who are directly financially affected by the cost of the scheme are not asking for savings to be made from the current scheme
- 5.3 There has been little in the way of significant welfare reform from central government in the past 12 months. There is therefore no need to align our local scheme with national changes which already provides for the annual uprating of allowances in line with the prescribed requirements legislation.
- 5.4 Universal Credit Full Service began rollout in Teignbridge from 5th September 2018. The impact of this major reform is not yet known and it is too soon to determine how the CTS scheme should change in response.

6. MAIN IMPLICATIONS

- 6.1 Legal - Schedule 1A of the Local Government Finance Act 1992 requires that the Council must decide, for each financial year, whether to revise its scheme or to replace it with another scheme.
- 6.2 Equalities – A full impact assessment was carried out in 2017-18 when changes were last made to the scheme. This was reviewed in January 2018 and remains relevant as no further changes have been made. See background papers.
- 6.3 Finance – The cost of the scheme falls on the Council and its major preceptors in proportion to their share of the collection fund. As no changes to the scheme are proposed any increase or decrease in spend will be determined by demand.

7. GROUPS CONSULTED

- 7.1 County, Police and Fire have all been consulted via representation on the Devon Benefit Officers Group and all are content with the current scheme and propose no changes.
- 7.2 The S.151 officer has also been consulted on and is in agreement with the proposals and the respective costs are being built into the budget proposals for 2019-20

8. TIME-SCALE

- 8.1 To ensure statutory deadline is met, members must review and agree a CTS scheme by 11 March of the preceding financial year.

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9. JUSTIFICATION

- 9.1 To comply with Schedule 1A of the Local Government Finance Act 2012 which requires each billing authority to consider whether to revise its scheme or replace it with another scheme before 11th March in the year preceding the financial year to which the scheme applies.

10. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

N/A – Decision will be made by Council on 14th January 2019

Tracey Hooper
Revenue, Benefits and Fraud Manager

Cllr Stuart Barker
Portfolio Holder for Corporate Resources

Wards affected	All
Contact for any more information	Tracey Hooper Ext 5266
Background Papers (For Part I reports only)	Business Impact Assessment 2018-19 Exceptional Hardship Policy Teignbridge Vulnerability Statement
Key Decision	Y
In Forward Plan	Y
In O&S Work Programme	N
Community Impact Assessment attached:	Y
Appendices attached:	A: CTR Scheme for 2018-19 (online)

ⁱ National Policy Institute Report April 2017