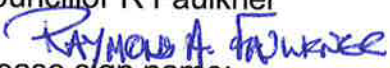


Please leave blank for  
completion by DS  
officers

### EXECUTIVE DECISION RECORD

<b>A1 Service Area</b>	Revenues, Benefits & Customer Contacts
<b>A2 Title</b>	Council Tax Reduction Scheme review 2019
<b>A3 Decision Taken By</b>	Deputy Leader/ Chief Officer
<b>A4 Chief Officer</b>	Please print name: Sal Khan  Please sign name:
<b>A5 Leader / Deputy Leader</b>	Please print name: Councillor R Faulkner  Please sign name:
<b>A6 Date of Decision</b>	[ 3rd December 2019 ]

### Confidentiality

<b>A7 Is this Decision confidential by containing exempt information as described in Schedule 12A of the Local Government Act 1972?</b>	No
<b>A7.1 If yes, please state relevant paragraph from Schedule 12A LGA 1972.</b>	Paragraph [ ]

### Scrutiny

<b>A8 Which Scrutiny Committee should this decision be submitted to?</b>	(Please tick as appropriate) ✓	
Scrutiny (Audit & Value for Money Council Services) Committee		✓
Scrutiny (Community Regeneration, Environment and Health and Well Being) Committee		<input type="checkbox"/>

<b>B1</b> What is the Decision?	To continue with the Council's current scheme with no revisions with effect from 1 <sup>st</sup> April 2020.
<b>B2</b> What are the reasons for the Decision?	<p>Each year, the Council is required to decide whether to review or replace its scheme.</p> <p>The scheme is performing well and is currently within budget. The number of claimants in receipt of Council Tax Reduction has reduced since the Council approved its first scheme in 2012. Council Tax collection is on target to achieve at least 98% for the current financial year. During the life of the scheme, twenty five applications for a discretionary payment due to exceptional hardship have been received. Six applications have been received for 2019-20.</p> <p>As the scheme is performing well it is recommended that it continue without revision or replacement for 2020/21</p>
<b>B3</b> What are the contributions to Corporate Priorities?	Council Tax collection is a primary source of review to the Council. Provision of a Council Tax Reduction scheme ensures those with low incomes can afford to pay their Council Tax liability.
<b>B4</b> What are the Human Rights considerations?	The main Human Rights issues arising from this decision are as follows: There may be implications under Article 8 (Right to respect for private and family life) and Article 1 of the First Protocol (Protection of property) but these have been taken into account in the preparation of this report.

### Financial Implications

<b>B5</b> What are the financial implications?	<p>The main financial issues arising from this decision are as follows:</p> <p>These figures, along with the current collection rates show that the scheme is performing well compared to initial expectations. The Chief Accountant is aware of the current performance and expenditure of the scheme which is broadly in line with expectations for 2019/20.</p>
--	--

## Revenue

Date	03/12/2012		31/07/2019		Difference	
	Number	Amount	Number	Amount	Number	Amount
Pensioners	4198	3,375,209.93	2630	2,578,149.22	-1568	-797,060.71
Vulnerable Claimants	388	299,152.89	1978	1,995,834.37	1590	1,696,681.48
<b>Working Age Claimants</b>	<b>4586</b>	<b>3,674,362.82</b>	<b>4608</b>	<b>4,573,983.59</b>	<b>22</b>	<b>899,620.77</b>
Working Age Employed	1458	670,381.16	775	461,103.27	-683	-209,277.89
Working Age Other	2990	1,877,002.89	1053	739,154.97	-1937	-1,137,847.92
	<b>4448</b>	<b>2,547,384.05</b>	<b>1828</b>	<b>1,200,258.24</b>	<b>-2620</b>	<b>-1,347,125.81</b>
<b>Totals</b>	<b>9034</b>	<b>6,221,746.87</b>	<b>6436</b>	<b>5,774,241.84</b>	<b>-2598</b>	<b>-447,505.03</b>

The finance section has been approved by the following member of the Financial Management Unit:

Please print name:

LISA TURNER

Please sign name:

## Policy Framework

<b>B6</b> Is the Decision wholly in accordance with the Council's policy framework?	Yes
<b>B6.1</b> If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	NA
<b>B6.2</b> Has it got the appropriate approvals under those provisions?	NA
<b>B7</b> Is the Decision wholly in accordance with the Council's budget?	Yes
<b>B7.1</b> If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	NA
<b>B7.2</b> Has it got the appropriate approvals under those provisions?	NA

## Equalities Implications

<b>B8</b> What are the Equalities implications:
<b>B8.1</b> Positive (Opportunities/Benefits): Council Tax Reduction continues to be available to any Council Tax payer in need of help in making their Council Tax payments. The Council's scheme also provides assistance to more vulnerable claimants, under its Council Tax Reduction Vulnerable Scheme policy.
<b>B8.2</b> Negative (Threats): <b>N/A</b>
<b>B8.3</b> The subject of this decision is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is already in place for the current CTR scheme.
<b>B8.4</b> The equality impact assessment identified the following actions to be carried out:

Is it a Health or Equality action?	Issue/impact identified	Recommendation/Action required	Lead officer and timescale	Resource allocation
<b>Health</b>	<b>Health, mental health, wellbeing, indirect impacts from social, economic and environmental living conditions</b>	<b>Referral to relevant agencies for advice and guidance.</b>	<b>Sarah Richardson; ongoing</b>	<b>R, B, &amp; CC staff</b>

## Risk Assessment

<b>B9</b> What are the Risk Assessment implications:
<b>B9.1</b> Positive (Opportunities/Benefits):  The current scheme is performing well and indications show that revenue should be as anticipated. The Council will continue to provide support to the most vulnerable Council Tax payers.

**B9.2 Negative (Threats):**

If the Council does not continue with its current scheme it will be forced to draft a new scheme for consultation or adopt the Government's default scheme, which will have an impact on the Council's finances. Any amendments to the current scheme which will provide less support to Council Tax payers will see a reduction in expenditure, however it may also see an increase in Council tax arrears.

**B9.3** The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

**Legal Considerations**

**B10** What are the Legal Considerations:

**B10.1** The main legal issues arising from this decision are as follows:  
Local Government Finance Act 2012

This section has been approved by the following member of the Legal Team:

Please print name:  
Angela Wakefield  
Solicitor to the Council, Monitoring  
Officer

Please sign name:

### Sustainability Implications

<b>B11</b> What are the Sustainability implications: <b>N/A</b>
<b>B11.1</b> The proposal [would/would not] result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures). The positive/negative impacts are set out below (please refer to guidance notes).
<b>B11.2</b> Positive (Opportunities/Benefits):
<b>B11.3</b> Negative (Threats):

### Health & Safety Implications

<b>B12</b> What are the Health & Safety implications:
<b>B12.1</b> A Risk Assessment has not been carried out and entered into Harriet for all significant hazards and risks because there are no significant hazards or risks arising from this decision.
<b>B12.2</b> [The significant hazards and risks have been identified in the Harriett Risk Assessment numbered [ ]. Any financial implications to mitigate against these hazards and risks are considered above.] <b>N/A</b>
<b>B12.3</b> [Control measures and an action plan have been identified for any significant hazards and risks identified in the risk assessment. The positive/negative impacts are set out below] <b>N/A</b>
<b>B12.3.1</b> Positive (Benefits)
<b>B12.3.2</b> Negative (Threats)

## Key Decision

<b>B13</b> Is this a Key Decision?	No ( <i>please delete as appropriate</i> )
<p><b>Note: A Key Executive Decision is one where:</b></p> <ol style="list-style-type: none"> <li>1. <b>REVENUE</b> – Any contract or proposal with an annual payment or saving of more than £100,000</li> <li>2. <b>CAPITAL</b> – Any capital project with a value in excess of £150,000</li> <li>3. <b>A decision which significantly affects communities living or working in an area comprising two or more wards.</b></li> </ol>	
<b>B13.1</b> If this is a Key Decision, is this an urgent decision such that a delay caused by use of the Call-in Procedure would <u>seriously</u> prejudice the public interest?	NA
<b>B13.2</b> If yes, has the Mayor or in his/her absence the Deputy Mayor or in his/her absence the Chair of the relevant Scrutiny Committee agreed that the decision will be exempt from Call-in?	NA

**NOTE: If this decision is subject to the Call-in Procedure it will come into force, and may then be implemented, on the expiry of 3 working days after publication – unless 10 Members of the Council call in the decision.**

Please send the original signed document to [andrea.davies@eaststaffsbc.gov.uk](mailto:andrea.davies@eaststaffsbc.gov.uk)







**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

<b>Title of Report:</b>	Review of Council Tax Reduction Scheme	To be marked with an 'X' by Democratic Services after report has been presented
<b>Meeting of:</b>	Corporate Management Team 17 <sup>th</sup> September, 2019	
	Leader and Deputy Leaders 23 <sup>rd</sup> September, 2019	
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group [DATE]	
	Cabinet [DATE] / Council [DATE]	
	Scrutiny Audit and Value for Money Council Services Committee [DATE] / Scrutiny Community Regeneration, Environment and Health and Well Being Committee [DATE]	

Is this an Executive Decision:	YES	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	[ ]		

**Essential Signatories:**

**ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE**

Monitoring Officer: **Angela Wakefield**

Date ..... Signature .....

Chief Finance Officer: **Sal Khan**

Date ..... Signature .....

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Leaders & Deputy Leaders**

**Date: 23<sup>rd</sup> September, 2019**

**REPORT TITLE: Review of Council Tax Reduction Scheme**

**PORTFOLIO: Housing and Homelessness**

**HEAD OF SERVICE: Sal Khan**

**CONTACT OFFICER: Sarah Richardson Ext. No. x1716**

**WARD(S) AFFECTED: All**

**1. Purpose of the Report**

- 1.1. To consider whether the Council's Council Tax Reduction Scheme should be revised or replaced with effect from 1<sup>st</sup> April 2020.

**2. Executive Summary**

- 2.1. The Council's current Council Tax reduction Scheme has been in place since 1<sup>st</sup> April 2018, following a revision by Members in 2017.

**3. Background**

- 3.1. The Council's scheme was based on a framework agreed with the other Staffordshire District Councils in 2012. Since then there have been two minor revisions to the scheme which has not had a major impact on claimants or the amount of Council Tax Reduction awarded. The latest version of the scheme came into effect from 1<sup>st</sup> April 2018.
- 3.2. The Council is required to consider whether to revise or replace its scheme each financial year by 11th of that financial year in readiness for the following financial year.

3.3. A review of the current scheme has been conducted and the results are discussed in this report.

#### 4. Contribution to Corporate Priorities

4.1. Council Tax Reduction (CTR) helps Council Tax payers on low incomes to pay their Council Tax charges. As Council Tax is a main source of revenue to the Council, it underpins all priorities.

#### 5. Current Scheme

5.1. The Council's scheme was originally based on a framework agreed with the other Staffordshire District Councils in 2012. As stated earlier in this report, the scheme has been revised twice since its implementation in 2013 and those revisions were minor.

5.2. Table 1, below, shows a comparison of the numbers of claimants receiving CTR for the last six years:

*Table 1: comparison of claimant numbers*

Claimant Category	Aug-14	Aug-15	Aug-16	Aug-17	Aug-18	Aug-19
Pensioners	3,747	3,626	3,317	3,109	2,944	2,630
Vulnerable	1,711	1,984	2,060	2,047	1,986	1,978
Working Age Employed	920	896	999	903	825	775
Working Age Other	1,751	1,427	1,027	1,045	1,110	1,053
Total	8,129	7,933	7,452	7,104	6,865	6,436

5.3. Members will note that there has been a decline in the numbers of claimants receiving CTR over this period. The number of pensioner claimants has consistently reduced whereas the number of working age claimants (including those claimants classed as vulnerable under the Council's scheme) has varied.

#### 6. Scheme Review

6.1. A review of the current scheme has been conducted to identify possible areas where reductions could be achieved, using the same parameters for the calculations used in the last financial year's scheme review. Members must note that any revisions to the current scheme must go out for consultation before being approved by full Council.

6.2. The Council's scheme is broadly based on the now-abolished Council Tax Benefits scheme with the following amendments for working age claimants who

are not classed as 'vulnerable' under the Council's scheme. Highlights of the Council's current scheme is shown in table 2, below:

*Table 2: ESBC scheme highlights*

<ul style="list-style-type: none"><li>• Maximum support 75% of Council Tax liability, restricted to a Band D Council Tax charge <i>(previously 100% maximum liability of any Council Tax band)</i></li><li>• No 'Second Adult Rebate' support <i>(support calculation based on other adults resident with the claimant rather than the claimant's own income)</i></li><li>• Capital Limit of £10,000 <i>(previously £16,000)</i></li><li>• Flat rate earnings disregard of £25 for all working age claimants <i>(previously £10 disregard for couple, £5 disregard for single claimants and £25 disregard for lone parents)</i></li><li>• Three Non dependant deduction amounts (£0, £5, £10) <i>(previously 6 rates of charge dependant on the amount of earnings the Non dependant received)</i></li><li>• Vulnerable Scheme to include any working age claimant in receipt of a War Pension, Disability Premium and/or Disabled Child Premium. <i>(Working age claimants who are classed as 'vulnerable' under the Council's scheme have their entitlement calculated under the Government's Default Scheme with none of the above restrictions applied)</i></li><li>• Maximum period of backdated award 1 month <i>(This came into effect from 1<sup>st</sup> April 2018 following last year's scheme review)</i></li></ul>
---

- 6.3. Based on the current parameters of the scheme, initial calculations have been undertaken to identify possible reductions in awards should those parameters be updated. These are shown in table 3, below:

*Table 3: possible reductions to current scheme*

	Parameter	Number of claimants affected	Possible reduction in expenditure	ESBC portion (10%)	SCC portion (71%)
Calc 1	Maximum support <b>70%</b> of Council Tax liability, restricted to a Band D Council Tax charge	1845	£122,709.85	£12,270.99	£87,123.99
Calc 2	Maximum support <b>60%</b> of Council Tax liability, restricted to a Band D Council Tax charge	1851	£300,214.08	£30,021.41	£213,152.00
Calc 3	Maximum support <b>50%</b> of Council Tax liability, restricted to a Band D Council Tax charge	1857	£454,481.10	£45,448.11	£322,681.58
Calc 4	Maximum support <b>75%</b> of Council Tax liability, restricted to a Band <b>C</b> Council Tax charge	346	£60,803.39	£6,080.34	£43,170.41
Calc 5	Maximum support <b>70%</b> of Council Tax liability, restricted to a Band <b>C</b> Council Tax charge	1845	£142,624.10	£14,262.41	£101,263.11
Calc 6	Maximum support <b>60%</b> of Council Tax liability, restricted to a Band <b>C</b> Council Tax charge	1851	£302,394.74	£30,239.47	£214,700.27
Calc 7	Maximum support <b>50%</b> of Council Tax liability, restricted to a Band <b>C</b> Council Tax charge	1857	£456,237.26	£45,623.73	£323,928.45
Calc 8	Capital Limit of <b>£6,000</b> (all other parameters remain unchanged)	344	£70,315.06	£7,031.51	£49,923.69
Calc 9	Vulnerable Scheme to include any working age claimant in receipt of a War Pension, Disabled Child Premium, and/or an Enhanced Disability Premium/Severe Disability Premium (i.e <b>removal of lowest Disability Premium from 'Vulnerable' criteria, including claimants receiving the 'support component of Employment and Support Allowance</b> )	306	£86,992.92	£8,699.29	£61,764.97

- 6.4. Members will note that the highest amount of possible reduction could be found by simply reducing the maximum amount of support available to working age claimants. This would, however, impact on the largest number of claimants and could also impact on the collection of Council Tax. Removing claimants receiving the Disability Premium from the 'vulnerable' criteria would affect 306 claimants, and would see them having to pay at least 25% of their Council Tax charge, dependant on whether the Council decides to continue with the same level of maximum support or not. (Note – this will not affect any claimant entitled to the Enhanced Disability Premium, Severe Disability Premium and/or Disabled Child Premium).
- 6.5. The details shown in table 3 are for illustration purposes only. Should any combination of parameters be considered, further calculations can be done to obtain more definitive possible reductions.
- 6.6. As in previous years, officers have conducted a comparison of the schemes in place at the Council's benchmarking neighbours. The results are shown in table 4, below:

Table 4: Benchmarking comparison

Benchmarking group	Maximum LCTR
Kettering	65%
East Staffordshire	75% restricted to Band D charge
High Peak	75%
Newark & Sherwood	80%
South Kesteven	80%
Ashford	82.5% restricted to Band D charge
NW Leicestershire	85%
Rugby	85%
Bassetlaw	88% restricted to Band C charge
Wellingborough	91.5%
Carlisle	100%
Chorley	100%
Lancaster	100%
Nuneaton & Bedworth	100%
South Ribble	Pay a minimum £3.50 per week

- 6.7. A comparison with other Staffordshire Authorities has also been compiled as shown in table 5, below:

Table 5: Staffordshire Authorities comparison

Staffordshire LAs	Maximum LCTR
Stoke	70%
East Staffordshire	75% restricted to Band D charge
Tamworth	75% restricted to Band D charge
Cannock Chase	80% restricted to Band D charge
Lichfield	80% restricted to Band D charge
Newcastle under Lyme	80% restricted to Band D charge
South Staffordshire	80% restricted to Band D charge
Stafford	80% restricted to Band D charge
Staffordshire Moorlands	91.5%

- 6.8. Legislation requires that where the Council decides to change its CTR scheme, there is a requirement to consult with major preceptors, publish a draft scheme and then consult with anyone else who is likely ‘..to have an interest in the scheme..’. This must be done before Council approves the new scheme at its last meeting before 11<sup>th</sup> March of the financial year.

## 7. Council Tax Collection

- 7.1. From the very start of the scheme there has been concern that working age claimants who had previously received 100% Council Tax Benefit would have

difficulty paying their Council Tax charge under the Council Tax Reduction scheme and in addition to other pressures implemented via the Welfare Reform Act 2012.

- 7.2. The introduction of Council Tax Technical Reforms from 1<sup>st</sup> April 2013 allowed the Council to provide a 12 month instalment payment scheme for any Council Tax payer that requests it. All staff within Revenues, Benefits and Customer Contacts (RBCC) continue to offer this method of payment to any Council Tax payer who is experiencing difficulties paying their Council Tax to ensure their payments can be made without further recovery action being taken.
- 7.3. The Council also has its Council Tax Discretionary Payments policy which is available to any claimant experiencing such financial hardship that they are unable to pay their Council Tax liabilities. Very few applications have been received for consideration, with none received in 2016-17, two in 2017-18 and nine in 2018-19. RBCC staff continue to invite claims for these discretionary payments where they come into contact with taxpayers on low incomes who are struggling to pay their Council Tax liabilities.
- 7.4. Council tax collection since the introduction of the CTR scheme is shown in table 6 below:

*Table 6 – Council Tax collection rates*

<b>Financial Year</b>	<b>Collection Rate achieved</b>
<b>2013-14</b>	<b>98.19%</b>
<b>2014-15</b>	<b>97.84%</b>
<b>2015-16</b>	<b>97.30%</b>
<b>2016-17</b>	<b>97.51%</b>
<b>2017-18</b>	<b>97.82%</b>
<b>2018-19</b>	<b>97.79%</b>

- 7.5. Officers continue to monitor collection rates, reporting performance monthly to the Head of Service, and current indications show we are on target to achieve at least 98% collection for 2019/20.
- 7.6. In 2013 the Council experienced an increase of 37% in Council Tax arrears. Officers have conducted an analysis of a portion of current Council Tax arrears outstanding as at July 2019 and have found that 54% of the arrears analysed belong to Council Tax Reduction claimants. Active recovery action is continuing on the outstanding balances.

**8. Financial Considerations**

*This section has been approved by the following member of the Financial Management Unit: Lisa Turner, Chief Accountant.*

- 8.1. The main financial issues arising from this Report are as follows:



- 8.2. Table 7, below, shows the total amount of CTR expected to be awarded as the initial scheme was approved in 2012 compared to the amount of CTR awarded as at 31<sup>st</sup> July 2019:

*Table 7: CTR expenditure comparison*

Date	03/12/2012		31/07/2019		Difference	
	Number	Amount	Number	Amount	Number	Amount
Pensioners	4198	3,375,209.93	2630	2,578,149.22	-1568	-797,060.71
Vulnerable Claimants	388	299,152.89	1978	1,995,834.37	1590	1,696,681.48
	<b>4586</b>	<b>3,674,362.82</b>	<b>4608</b>	<b>4,573,983.59</b>	<b>22</b>	<b>899,620.77</b>
Working Age Claimants						
Working Age Employed	1458	670,381.16	775	461,103.27	-683	-209,277.89
Working Age Other	2990	1,877,002.89	1053	739,154.97	-1937	-1,137,847.92
	<b>4448</b>	<b>2,547,384.05</b>	<b>1828</b>	<b>1,200,258.24</b>	<b>-2620</b>	<b>-1,347,125.81</b>
Totals	<b>9034</b>	<b>6,221,746.87</b>	<b>6436</b>	<b>5,774,241.84</b>	<b>-2598</b>	<b>-447,505.03</b>

- 8.3. These figures, along with current collection rates show that the scheme continues to perform well compared to initial expectations. The Chief Accountant is aware of the current performance and expenditure of the scheme which is currently broadly in line with expectations for 2019/20.
- 8.4. There are a number of options set out within the report for consideration, the financial implications of these are shown in paragraph 6.3.
- 8.5. Should the scheme be altered to be less favourable, whilst there will be reductions to the amount of CTR expenditure, members must be aware that a reduction in support is likely to result in a further increase in Council Tax arrears.

## **9. Risk Assessment and Management**

- 9.1. The main risks to this Report and the Council achieving its objectives are as follows:

### **9.2. Positive (Opportunities/Benefits):**

9.2.1. The current scheme is performing well and indications show that revenue should be as anticipated.

9.2.2. The Council will continue to provide support to the most vulnerable Council Tax payers.

9.3. **Negative (Threats):**

9.3.1. If the Council does not continue with its current scheme it will be forced to draft a new scheme for consultation or adopt the Government's default scheme, which will have an impact on the Council's finances

9.3.2. Any amendments to the current scheme which will provide less support to Council Tax payers will see a reduction in expenditure, however it may also see an increase in Council tax arrears.

9.4. Any financial implications to mitigate against these risks are considered above.

10. **Legal Considerations**

*This section has been approved by the following member of the Legal Team: Angela Wakefield, Solicitor to the Council, Monitoring Officer.*

10.1. The main legal issues arising from this Report are set out in the report, above.

11. **Equalities and Health**

11.1. An equality and health impact assessment is already in place for the current CTR scheme. Should the decision be made to change the Council's scheme, a new equality and health impact assessment will be conducted.

11.2. The main equality or health issues arising from the current scheme are as follows:

11.3. The equality and health impact assessment identified the following actions to be carried out:

Is it a Health or Equality action?	Issue/impact identified	Recommendation/Action required	Lead officer and timescale	Resource allocation
Health	Health, mental health, wellbeing, indirect impacts from social, economic and environmental living conditions	Referral to relevant agencies for advice and guidance.	Sarah Richardson; ongoing	R, B, & CC staff

**12. Human Rights**

12.1. The main Human Rights issues arising from this Report are as follows:

12.2. There may be implications under Article 8 (Right to respect for private and family life) and Article 1 of the First Protocol (Protection of property) but these have been taken into account in the preparation of this report.

**13. Sustainability (including climate change and change adaptation measures)**

13.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

**14. Recommendation(s)**

14.1. That the report be noted.

14.2. That a decision be made whether to continue with the Council's current scheme as shown in this report at paragraph 6.2.

14.3. That a decision be made whether other proposed amendments to the scheme shown in paragraph 6.3 should be explored.

**15. Appendices**

15.1. Appendix 1: Current CTR scheme.

15.2. Appendix 2: Current Vulnerable scheme.

15.3. Appendix 3: Current EHIA.

