

Meeting date: 8 November 2018

Report to: Full Cabinet



Subject/report title: COUNCIL TAX REDUCTION SCHEME 2019/20

Report from: Director of Resources and Deputy Chief Executive

Report author/lead contact officer: Joanne Robinson Head of Income and Awards –
joanne.robinson@solihull.gov.uk

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

1.1 To inform Cabinet of the proposed Council Tax Reduction Scheme from April 2019.

2. Decision(s) recommended

2.1 Cabinet is asked to recommend that Full Council approves the Council's Council Tax Reduction Scheme for 2019/20.

3. What is the issue?

3.1 In April 2013 the national Council Tax Benefit regulations were abolished and local authorities became responsible for developing their own local schemes for Council Tax support.

3.2 Each year full Council has to approve the Council Tax Reduction (CTR) scheme for the following year even if no changes are proposed.

3.3 From April 2017 all working age customers in Solihull who claim CTR are required to pay a minimum of 15% towards their Council Tax charge. Those customers of pensionable age claiming CTR remain protected by the original national scheme – currently 45% of our caseload are of pensionable age.

- 3.4 As at April 2018 there were 13,428 customers claiming CTR in Solihull. Since CTR was introduced in April 2013 the number of customers receiving support with their Council Tax has reduced. The table below shows the number of CTR customers from April 2013 to April 2018.

	April 2013	April 2014	April 2015	April 2016	April 2017	April 2018
CTR Caseload	18,500	16,604	16,085	15,337	14,727	13,428

Consultation

- 3.5 In July 2018 the Cabinet Member for Resources and Delivering Value agreed to a 12 week consultation on the proposal that for 2019/20 no changes be made to the CTR scheme already in place. This means from April 2019 customers of working age will still be required to pay a minimum of 15% towards their Council Tax.
- 3.6 We consulted with 13,200 CTR recipients (both working age and pensioners). The consultation ran from 16 July 2018 to 7 October 2018. We issued a press release and used social media to encourage people to complete the on-line survey during the 12 week consultation period. Information was also added to Council Tax bills to advise residents on how we will consult each year on our CTR scheme and when this will take place.
- 3.7 A total of 213 people responded to the consultation. 82% of responders agreed with the proposals that we should not increase the minimum payment of 15% for working age people in Solihull who are liable to pay Council Tax and who claim CTR.
- 3.8 We received 80 comments/alternative options on how we could change our CTR scheme. These have been summarised into themes and set out in the table below:-

Comments/Alternative Options	No. of Responses
Continue with current scheme as it is	15
People on benefits should not have to pay Council Tax	14
Disabled people should be excluded from the minimum payment	10
Everyone should pay something	7
Increase Council Tax for those who can afford to pay more	6
Did not understand the question	6
Increase the 15% minimum payment	5
Lower the 15% minimum payment	5
No suggestions	5
Raise money from elsewhere in the Council	3
Council Tax bills are too high	2
Ask the Government for more money	1
Pensioners should make a minimum payment	1

- 3.9 Of the responders 10 people suggested that Disabled people should be excluded from the minimum payment. The Council's CTR scheme is means tested and as part of this calculation those customers who are disabled are entitled to additional premiums when calculating their basic allowance. Various Council Tax discounts are also available for those customers who are disabled and meet the qualifying criteria.

Support Measures

- 3.10 Since the introduction of the minimum 15% payment of Council Tax for working age CTR customers we have worked with the Department of Work & Pensions (DWP) and partners to put measures of support in place for customers who find it difficult to pay.
- 3.11 We have provided co-ordinated support on employment, help with debt, personal budgeting, income maximisation, discretionary funds and housing options to assist customers to meet their financial commitments.
- 3.12 We have ensured customers have been supported to claim appropriate Council Tax discounts and exemptions and we have also created a one off hardship reserve to support any person liable for council tax who cannot afford to pay. No allocations have been required from the hardship reserve as yet due to the success of the other support measures put in place.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 We could consider increasing the minimum payment of 15% for working age customers, for example increasing the minimum payment to 20%.
- 4.2 Of those who responded to the consultation 82% agreed that the minimum payment should remain at 15%.

5. Reasons for recommending preferred option

- 5.1 The reasons why we are not proposing to make any changes to our scheme are:
- (a) The support for customers is based on each individual's ability to pay and this means tested approach is fair and equitable.
 - (b) Those of pensionable age continue to be protected under the original scheme rules.
 - (c) We continue to work with the DWP and partners to assist customers to access the support available to them including applications to the hardship reserve.
 - (d) The current approved MTFS does not require the scheme to be changed in 2019/20 – the assumed level of Council Tax included within the Council's Medium Term Financial Strategy does not assume any change to the CTR scheme in 2019/20.
 - (e) The majority of responders to the consultation support the proposal to not make any changes to the current CTR scheme for 2019/20.

6. Implications and Considerations

6.1 Delivery of key themes in the Council Plan:

How will the options/proposals in this report contribute to the delivery of the key themes in the Council Plan?

- Improve Health and Wellbeing
- Managed Growth
- Build Stronger Communities
- Deliver Value – Delivery of the Medium Term Financial Strategy

6.2 Implications for children and young people, vulnerable groups and particular communities:

6.2.1 None

6.3 Consultation and Scrutiny:

6.3.1 Public consultation regarding the proposals took place for 12 weeks from 16 July 18 to 7 October 18.

6.3.2 The West Midlands Combined Authority, West Midlands Fire and Rescue Authority, West Midlands Police and Crime Commissioner and the 16 parish councils within the borough were all invited to take part in the consultation.

6.3.3 The proposed CTR scheme for 2019/20 was considered by the Resources & Delivering Value Scrutiny Board on 1 October 2018. They noted the contents of the report, the consultation outcomes to date, and supported the proposal to make no changes to the CTR scheme in 2019/20.

6.4 Financial implications:

6.4.1 The CTR scheme is funded through the medium term financial strategy in that if the number of claimants increases, the Council's tax base reduces accordingly, which means that the Council Tax charge generates less income. The cost of the scheme can therefore vary from year to year as the caseload changes but there would be no direct financial implications of the scheme remaining unchanged.

6.4.2 The medium term financial strategy assumes that no change is made to the scheme in 2019/20 and that all working age residents who are liable for Council Tax continue to pay a minimum of 15% towards their Council Tax.

6.4.3 The cost of the CTR scheme is currently £10.9 million for 2018/19, of which £5.5 million relates to Working Age customers (the balance relates to those customers of pensionable age who cannot be affected by any changes to the CTR scheme). The cost of the scheme fluctuates during the year due to changes in caseload.

6.5 Legal implications:

6.5.1 None.

6.6 Risk implications:

6.6.1 Assessment identified that there are no net 'red' risks that need to be reported.

6.7 Statutory Equality Duty:

6.7.1 As there are no changes proposed to the CTR scheme from last year a Fair Treatment Assessment has not been undertaken. We will continue to monitor how many groups covered under the Act may be affected by the scheme and will address or mitigate against any negative impact that arises.

7. List of appendices referred to

7.1 None.

8. Background papers used to compile this report

8.1 None.

9. List of other relevant documents

9.1 Solihull Council's Proposed Council Tax Reduction Scheme – A full copy of this document will be circulated by email to Cabinet Members as a supplement to the agenda.