

Cherwell District Council
Budget Planning Committee

1st November 2016

Council Tax Reduction Scheme 2017-2018

Report of the Chief Finance Officer

This report is public

Purpose of report

To provide members of the Budget Planning Committee with an update on the consultation process that has taken place on the proposals for the Council Tax Reduction Scheme (CTRS) 2017-2018.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report and any financial implications for the Council.
- 1.2 To recommend to Executive which option should be considered for the CTRS for 2017-2018 as part of the budget setting process.

2.0 Introduction

- 2.1 In December 2015 members approved a Council Tax Reduction Scheme (CTRS) for Cherwell District Council for the financial year 2016-2017. The scheme remained the same as in the previous year and mirrored the previous Council Tax Benefit scheme.
- 2.2 The scheme for pensioners is set nationally and pensioners have not seen any change to the support they receive. Cherwell District Council is required to design its own scheme for working age customers.
- 2.3 The Council Tax Reduction Scheme is based on a fixed cash grant based on approximately 90% of the previous Council Tax Benefit subsidy giving a funding gap of around £742,430 for Cherwell. The funding gap is mostly offset by the changes to locally set Council Tax discounts.

- 2.4 In July 2016 members of this Committee received a report on the latest intelligence on the CTRS 2016-2017 and the options available for the scheme for 2017-2018. Members recommended for 2017-2018 an option that would mean no change to the 2016-2017 scheme with only minor changes to reflect amended regulations issued by DCLG and to mirror changes in the benefit rates made by Department for Work and Pensions.
- 2.5 On 3rd October 2016 Executive approved for consultation purposes only the option of no change to the current CTRS for the financial year 2017-2018
- 2.6 This report provides members with an update on the consultation process and a summary of the responses received.

3.0 Report Details

Council Tax Reduction Scheme Consultation Process

- 3.1 Members agreed for consultation purposes the option of no change to the current Council Tax Reduction scheme for 2017-2018. This means that the scheme mirrored the previous Council Tax Benefit scheme.
- 3.2 There is a requirement to consult with the public, major preceptors and other parties who may have an interest in the Council Tax Reduction Scheme. It was agreed that a full consultation process would take place. The consultation began on 5th October 2016 ending on 24th October 2016.
- 3.3 The consultation process included detailed information and a response form on the website. Targeted consultation also took place with 750 households across the district who were invited to take part in the survey. Consultation has also taken place with major preceptors.
- 3.4 A total of 54 responses were received although not all questions were answered by the respondents. A summary of the results can be found at Appendix A of this report. The key findings are as follows:
 - All of the 54 responses came from individuals rather than on behalf of organisations
 - 24 of the 52 respondents (46.2%) agreed that the Council should continue with the current scheme
 - If the Council were to consider other options to help pay for the scheme 28 the respondents (54%) felt that the level of support for working age households should be reduced, 9 respondents (18%) felt that Council Tax should be increased and 11 (22%) were in favour of reduction in funding for other services.
- 3.5 The results of the survey will be published on the Cherwell District Council website shortly.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The proposal is to keep the same Council Tax Reduction Scheme for 2017-2018. There will be some minor changes to the Regulations to reflect changes such as benefit uprating.
- 4.2 Members are now required to note the contents of this report and to recommend to Executive a Council Tax Reduction Scheme for the 2017-2018 financial year.

5.0 Consultation

There is a requirement to consult with the public, major preceptors and other parties who may have an interest in the Council Tax Reduction Scheme. In October 2014 a Supreme Court judgement ruled that consultation must be not only on the preferred option but also on all other potential options such as reducing council services and raising council tax.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To not recommend any of the options for a scheme for 2017-2018. This would have financial implications for the Council and those residents affected by Welfare Reform.

7.0 Implications

Financial and Resource Implications

- 7.1 See table contained in this report.

Comments checked by:
Paul Sutton Chief Finance Officer,
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Legal Implications

- 7.2 The Council is required to approve a Council Tax Reduction Scheme on an annual basis. Failure to do so will affect the reputation of the Council and will have a financial implication for residents.

Comments checked by:
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8.0 Decision Information

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priorities of a district of opportunity and sound budgets and a customer focused council

Lead Councillor

Councillor Ken Atack Lead Member for Financial Management

Document Information

Appendix No	Title
A	<i>Results of Consultation</i>
Background Papers	
None	
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