

Cherwell District Council

Council

14 December 2015

Council Tax Reduction Scheme 2016-2017

Report of Head of Finance and Procurement

This report is public

Purpose of report

To enable Council to approve the Council Tax Reduction Scheme for 2016-17.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the current Council Tax Reduction Scheme (CTRS) for the year 1 April 2016 to 31 March 2017 as indicated in the report.
- 1.2 To delegate authority to the Council's section 151 officer in consultation with the Lead Member for Financial Management to determine if any further amendments to the CTRS are required by 31 January 2016 and, if so, to make them.

2.0 Introduction

- 2.1 The Executive, at its meeting on 5 October 2015, fully considered the Council Tax Reduction Scheme 2016-17 as part of the report on the Budget Strategy. The Executive agreed that the current scheme for 2015-16 should remain for 2016-17 as the impact was broadly cost neutral for Cherwell. This current scheme has previously been approved by Council at its meeting of 14 December 2014.
- 2.2 The full scheme can be accessed through the Council's website:
<http://www.cherwell.gov.uk/index.cfm?articleid=1185>.
- 2.3 The scheme is being brought to Council for approval as this is a requirement of the legislation and needs to be fulfilled before 31 January 2016.

3.0 Report Details

Council Tax Reduction Scheme

- 3.1 The cost of CTRS is largely met through a fixed grant from the Department for Communities and Local Government (DCLG) based on approximately 90% of the Council Tax Benefit subsidy previously paid.
- 3.2 For 2015-16 the shortfall between the reductions awarded and the grant is approximately £54,000. This is offset by the changes to Council Tax discounts and exemptions.
- 3.3 As the funding for CTRS is a fixed cash grant the cost of any increase in the level of demand would be borne by the Council. The CTRS caseload has been monitored and, between 1 April 2015 and 1 November 2015, there has been a decrease in the number of claims from 7,513 to 7,290 and a consequent reduction in expenditure.
- 3.4 A consultation was undertaken during October 2015. The consultation included detailed information and a response form on the website. Targeted consultation also took place with 1,000 households across the district who were invited to take part in the survey. Consultation has also taken place with the major preceptors.
- 3.5 A total of 44 responses were received although not all questions were answered by the respondents. A summary report of the results can be found at Appendix A of this report. The key findings are as follows:
- A majority of respondents thought that the current scheme should continue unchanged
 - A significant number were also amenable to the scheme for working age applicants being changed so that everybody would have to pay a percentage of their Council Tax. Percentages ranging from 10% to 50% were suggested
 - The majority of respondents were opposed to an increase in Council Tax or a reduction in services. Respondents did think that the Council should draw on its reserves if necessary
 - 18 respondents thought that our local Council Tax Reduction scheme regulations should reflect the changes to Housing Benefit proposed in the Budget.
- 3.6 The only changes made from the CTRS scheme for 2014-15 to that for 2015-16 were made to reflect amending regulations issued by DCLG and to mirror changes in benefit rates made by the Department for Work and Pensions. Neither department has yet announced changes that they intend to make for 2016-17. Thus there is a need for delegated authority so that the Council's scheme can be updated to reflect any changes when they are announced

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is recommended that:
- the Council Tax Reduction scheme remains the same as the current scheme
 - authority is delegated to the Council's section 151 officer in consultation with

the Lead Member for Financial Management to determine if any further amendments are required by 31 January 2015 preceptors and to make them if so determined.

5.0 Consultation

Cllr Ken Attack – Lead member
for Financial Management

Cllr Attack is content with the report and
supportive of the recommendations contained
within it.

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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 disagree with the recommendations set out above. This is rejected as it will delay the formulation of the detailed budget for 2016-17.

7.0 Implications

Financial and Resource Implications

- 7.1 These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.

Comments checked by:

Martin Henry, Director of Resources, 0300 003 0102

martin.henry@cherwellandsouthnorthants.gov.uk

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. The Council must take due account of any responses to a consultation process before determining its position.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107

kevin.lane@cherwellandsouthnorthants.gov.uk

Risk management

- 7.3 No risk management implications

Comments checked by: Louise Tustian, Acting Corporate Performance Manager
01295 221786 Louise.tustian2@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 An Equality Impact Assessment was undertaken prior to setting the scheme for 2013-14. As the proposal is to continue with an unchanged scheme for 2016-17 no new assessment has been undertaken.

Comments checked by: Louise Tustian, Acting Corporate Performance Manager
01295 221786 Louise.tustian2@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix A	Consultation results
Background Papers	
None	
Report Author	Ryszard Filipiak, Service Assurance Team Leader
Contact Information	01295 227067 rysard.filipiak@cherwell-dc.gov.uk