

Budget Planning Committee

Council Tax Reduction Scheme (CTRS) Year 2

4 June 2013

Report of the Head of Finance and Procurement

PURPOSE OF REPORT

This report provides an update on considerations for the second year of the local council tax reduction scheme.

This report is public

Recommendations

The Budget Planning Committee is recommended to note the contents of this report.

Background

Current position

- 1.1 Members approved the introduction of the CTRS in December 2012. The scheme was developed in conjunction with partners across Oxfordshire.
- 1.2 The scheme was designed so that provided customer's circumstances did not change, they would suffer no financial loss in the assistance they received for Council Tax.
- 1.3 The Service Assurance Team is monitoring the overall effects of the scheme in terms of applications for reduction and the number of any complaints. Wider legal challenges and applications for tribunal decisions are also being monitored.
- 1.4 The situation with regard to the Council Tax base is also being monitored to provide parishes with monthly or quarterly updates to assist with their budget planning.

Moving Forward

- 1.5 The Oxfordshire group will continue to meet over the coming months to consider the scheme as it is now and how it might be developed. This may be as part of the on going group or as individual authorities
- 1.6 If the scheme is to be amended, the decision must be approved by members by 31st January 2014. Further consultation will also be necessary.

Considerations in revising the scheme

1.7 Officers are currently working through the following areas in order to bring forward a report with options for Year 2.

- Finance – what funding will Cherwell District Council receive from central government for 2014/15. It is almost certain that the transitional grant will not be available in 2014/15 and it is not known what other assistance may be available. Members and officers might want to consider the possibility of awarding a maximum amount of CTRS or changing the criteria for receiving a reduction.
- Council Tax discounts and exemptions – these were amended in 2013/14 to raise additional funds to offset the reduction in central funding for the CTRS. What has the impact of these been and do they need amending. It is also possible that there may be further changes to legislation which might mitigate any financial challenges.
- Consultation with public – further consultation necessary if scheme to be amended. This will need to take place in August/September so that it is completed in time to be meaningful.
- Consultation with Parishes – any change to the scheme will affect the Council Tax base which in turn affects parish budget setting. Early consultation is needed to ensure the parishes are comfortable with any changes proposed and that they understand the implications.
- Partnership – do Cherwell want to work as part of a group or have a stand alone reduction scheme? If partnership is the preferred method, who do we partner with?
- Other welfare reforms – what will be the effect of other changes on CTRS. The date for the mass migration of Housing Benefit claims to Universal Credit (UC) is not yet known nor is the likely impact on local authorities or their staff. The DWP will be responsible for the administration of UC but are likely to need LA support. The effects of the benefit cap and 'bedroom tax' are also being monitored and need to be assessed before any changes are proposed to the CTRS.

1.8 The committee is asked to note the above information and approve further work be undertaken to understand the success and limitations of the current scheme and make proposals for amendments in year 2.

Consultations

The first year scheme was subject to various consultations and consultation will take places with stakeholders regarding proposals for the Year 2 scheme including Parishes at the forthcoming Parish Liaison Meeting on 12 June 2013.

Implications

- Financial:** There are no financial implications arising directly from the production of this report however a financial appraisal will be prepared in considering any changes to the scheme.
Comments checked by Nicola Jackson, Corporate Finance Manger, 01295 221731.
- Legal:** Any changes to the scheme must be approved by January 31st annually.
Comments checked by Kevin Lane Head of Law & Governance, 0300 0030107.
- Risk Management:** None arising from this report however formal proposal will consider risk in full.
Comments checked by Nicola Jackson, Corporate Finance Manager 01295 221731.

Document Information

Appendix No	Title
Background Papers	
Budget 2012/13 2013/14 Council Tax Support Scheme LGRR Reports	
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