

Cherwell District Council
Budget Planning Committee

28th November 2017

Council Tax Reduction Scheme 2018-2019

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) 2018-2019.

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 2018-2019 as part of the budget setting process.

2.0 Introduction

- 2.1 In November 2016 members approved a Council Tax Reduction Scheme (CTRS) for Cherwell District Council for the financial year 2017-2018. 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 2017 members of this Committee received a report on the latest intelligence on the CTRS 2017-2018 and the options available for the scheme for 2018-2019. Members recommended for 2018-2019 an option that would mean no change to the 2018-2019 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 25th July 2017 Executive approved for consultation purposes only the option of no change to the current CTRS for the financial year 2018-2019
- 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 2018-2019. 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 11th September 2017 ending on 10th October 2017.
- 3.3 The consultation process included detailed information and a response form on the website. Targeted consultation also took place with 676 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 49 responses were received. Respondents were able to express an opinion on more than one of the options in question 3. A summary of the results can be found at Appendix A of this report. The key findings are as follows:
 - 48 of the 49 responses came from individuals and 1 came from an organisation
 - 33 of the 49 respondents (67.35%) agreed that the Council should continue with the current scheme
 - If the Council were to consider other options to help pay for the scheme 23 out of 47 responses (48.94%) felt that the level of support for working age households should be reduced, 9 out of 47 responses (19.15%) felt that Council Tax should be increased, 8 out of 43 responses (18.60%) were in favour of reduction in funding for other services and 23 out of 46 responses (50%) were in favour of using financial reserves.
- 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 2018-2019. 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 2018-2019 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 2018-2019. This would have financial implications for the Council and those residents affected by Welfare Reform.

7.0 Implications

Financial and Resource Implications

- 7.1 The financial implications of the Council Tax Reduction Scheme have been outlined in a previous report to members of this Committee. There are no financial implications from the consultation.

Comments checked by:
Paul Sutton Chief Finance Officer,
Paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 The Council is required to review its Council Tax Reduction Scheme on an annual basis and, if it determines to make changes then it must consult on the revised scheme. Failure to do so will affect the reputation of the Council and will have a financial implication for residents as well as exposing the Council to potential challenge for failing to comply with the legislative requirements of the Local Government Finance Act 1992. As indicated in the main body of the report at paragraph 5 above, consultation must be a meaningful process and due account must be taken of the content of the responses before a final decision is made.

Comments checked by:
Chris Mace, Solicitor
christopher.mace@cherwellandsouthnorthants.gov.uk

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 Tony Ilott Lead Member for Financial Management

Document Information

Appendix No	Title
A	<i>Results of Consultation</i>
Background Papers	
None	
Report Author	Belinda Green (Joint Revenues and Benefits Manager)
Contact Information	Belinda Green: 01327 322182 Belinda.green@southnorthants.gov.uk