

***AGENDA MANAGEMENT SHEET***

<b>Report Title:</b>	Council Tax Reduction Scheme 2018/2019
<b>Name of Committee:</b>	Cabinet
<b>Date:</b>	4 <sup>th</sup> December 2017
<b>Report Director:</b>	Head of Corporate Resources and Chief Financial Officer
<b>Portfolio:</b>	Corporate Resources
<b>Ward Relevance:</b>	All
<b>Prior Consultation:</b>	Head of Corporate Resources and Chief Financial Officer
<b>Contact Officer:</b>	David Wortley, Benefits Manager, 01788 533440
<b>Public or Private:</b>	Public
<b>Report subject to Call-In:</b>	No, this report will be subject to a final decision by Council at its meeting in December 2017
<b>Report En-Bloc:</b>	No
<b>Forward Plan:</b>	No
<b>Corporate Priorities:</b>	This report relates to the following priority(ies):  CORPORATE RESOURCES - Ensure that the council works efficiently and effectively CORPORATE RESOURCES - Optimise income and identify new revenue opportunities
<b>Statutory / Policy Background:</b>	The Local Government Finance Bill 2012

<b>Summary:</b>	To recommended to Council the adoption of a Council Tax Reduction Scheme for 2018/2019
<b>Financial Implications:</b>	Funding for the provision of a Local Council Tax Reduction Scheme is no longer separately identified within the Revenue Support Grant. The cost of awards are met by the major preceptors, however the cost of administering a scheme is borne by Rugby Borough Council.
<b>Risk Management Implications:</b>	There is a statutory requirement to adopt a Local Council Tax Reduction Scheme
<b>Environmental Implications:</b>	There are no environmental implications for this report
<b>Legal Implications:</b>	The Council is required to adopt a Local Council Tax Reduction Scheme for the financial year 2018/2019 by 31 <sup>st</sup> January 2018
<b>Equality and Diversity:</b>	The changes will affect all customers and an Equality Impact Assessment is included with this report.
<b>Options:</b>	<ol style="list-style-type: none"> <li>1. Recommend Full Council to approve the proposed scheme.</li> <li>2. Identify changes to the proposed scheme, to be subjected to public consultation.</li> </ol>
<b>Recommendation:</b>	IT BE RECOMMENDED TO COUNCIL THAT the Council Tax Reduction Scheme for 2017/2018 be adopted as the Council's Local Council Tax Reduction Scheme for 2018/2019.
<b>Reasons for Recommendation:</b>	To enable the Council to deliver a Council Tax Reduction Scheme for 2018/2019

**Cabinet – 4<sup>th</sup> December 2017**

**Council Tax Reduction Scheme 2018/2019**

**Report of the Head of Corporate Resources and Chief Financial Officer**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT the Council Tax Reduction Scheme for 2017/2018 be adopted as the Council's Council Tax Reduction Scheme for 2018/2019.

**1. Background**

- 1.1 The Local Government Finance Bill 2012 requires Councils to design and implement a Local Council Tax Reduction scheme for 2017/2018 by 31<sup>st</sup> January 2017.
- 1.2 The scheme only impacts customers who are of working age. Council Tax Reduction for customers of pensionable age is calculated in accordance with a national scheme and therefore not affected by proposals contained in this report.
- 1.3 Rugby Borough Council, as the Billing Authority, takes the lead in designing and implementing the local scheme but is required to consult with major precepting authorities (i.e. Warwickshire County Council and Warwickshire Police and Crime Commission), if any changes are proposed to a scheme.

**2. Proposals considered for 2018/2019**

- 2.1 The estimated cost of the scheme for customers of working age will be in the region of £2,206,898, for the current financial year. The cost to Rugby Borough Council would be in the region of £264,827, with the County Council and Police Commissioner funding the remaining costs.
- 2.2 Council Tax Reduction is currently limited to a maximum of 85% of a customer's weekly Council Tax liability, the actual amount received depends on their income and family circumstances.
- 2.3 Modelling has been undertaken to establish the impact of reducing the current cap of 85%. Results based on current year claim data are shown below:

Cap limit	85% (Current)	80%	75%	70%
Estimated cost of scheme	£2,206,898	£2,092,814	£1,943,492	£1,795,653
Cost to Rugby BC	£264,827	£251,138	£233,219	£215,478
Potential saving		£13,689	£31,608	£49,349

2.4 Reducing the maximum amount of support available would result in customers paying an increased level of Council Tax. A customer in a Town Centre Band A property would currently pay a minimum of £170 per year. Under the above proposals this would increase up to a minimum of £340 per year. A customer in a Town Centre Band C property would see an increase from £226 to £452 per year. This would represent a significant increase for those on fixed incomes.

2.5 It is also anticipated that a substantial increase could lead to an increase in Council Tax arrears. The potential increase in arrears has been modelled and could result in any potential savings from changing the scheme being offset by an increase in the level of bad debt.

### **3. Proposed Scheme for 2018/2019**

3.1 It is proposed to carry forward the scheme for 2017/2018 without any amendment.

### **4. Equality Impact Assessment**

4.1 An Equality Impact Assessment for the proposed scheme is attached at Appendix 1. The Council operates a Discretionary Council Tax Reduction Scheme to provide additional support on a case by case basis.

Name of Meeting:  
Cabinet

Date of Meeting:  
4<sup>th</sup> December 2017

Subject Matter:  
Council Tax Reduction Scheme 2018/2019

Originating Department:  
Corporate Resources

## List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

\* The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

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\* Exempt information is contained in the following documents:

Document No.	Relevant Paragraph of Schedule 12A
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\* There are no background papers relating to this item.

(\*Delete if not applicable)

# **EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)**

**Council Tax Reduction Scheme 2018**



## Equality Impact Assessment

<b>Service Area</b>	<b>Resources</b>
<b>Policy/Service being assessed</b>	<b>Council Tax Reduction Scheme</b>
<b>Is this is a new or existing policy/service?</b>	Revised scheme to be introduced from April 2018
<b>If existing policy/service please state date of last assessment</b>	November 2016
<b>EqlA Review team – List of members</b>	David Wortley
<b>Date of this assessment</b>	06 November 2017
<b>Signature of responsible officer (to be signed after the EqlA has been completed)</b>	

**A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Corporate Equality & Diversity Advisor.**

**If you require help, advice and support to complete the forms, please contact Minakshee Patel, Corporate Equality & Diversity Advisor via email: [minakshee.patel@rugby.gov.uk](mailto:minakshee.patel@rugby.gov.uk) or 01788 533509.**





## Form A1

### INITIAL SCREENING FOR STRATEGIES/POLICIES/FUNCTIONS FOR EQUALITIES RELEVANCE TO ELIMINATE DISCRIMINATION, PROMOTE EQUALITY AND FOSTER GOOD RELATIONS



High relevance/priority



Medium relevance/priority



Low or no relevance/ priority

**Note:**

1. Tick coloured boxes appropriately, and depending on degree of relevance to each of the equality strands
2. Summaries of the legislation/guidance should be used to assist this screening process

Business Unit/Services:	Relevance/Risk to Equalities																													
State the Function/Policy /Service/Strategy being assessed:	Gender			Race			Disability			Sexual Orientation			Religion/Belief			Age			Gender Reassignment			Pregnancy/ Maternity			Marriage/ Civil Partnership (only for staff)					
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Council Tax Reduction Scheme	X						X						X			X						X			X					
Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? <b>If yes please explain how.</b> The new scheme will continue to impact on those customers who have a third child, or where a customer with three or more children make a new claim for Council Tax Reduction . This is due to the fact that one of the components used in the calculation, known as the child premium, is being restricted to a maximum of two children. This means that these customers will receive less help towards their Council Tax. This change will mirror changes made to Housing Benefit, certain																								<b>YES</b>						

circumstances e.g. birth of twins will exempt customers from this change. A discretionary fund is also available to provide additional support on a case by case basis.	
Are your proposals likely to impact on a <b>carer</b> who looks after older people or people with disabilities? <b>If yes please explain how.</b> Income from disability living allowance, personal independence payments, war disablement pensions or war widow's pensions will also be disregarded, however support may be required to assist customers who will face paying larger Council tax bills than previously. A discretionary hardship fund will be available to provide additional support in appropriate cases.	<b>YES</b>

**Form A2 – Details of Plan/ Strategy/ Service/ Policy**

<b><u>Stage 1 – Scoping and Defining</u></b>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	The scheme is designed to assist customers pay their Council Tax with effect from April 2018.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	It is a statutory duty for the Council to provide a Local Council Tax Reduction Scheme.
(3) What are the expected outcomes?	The Council needs to develop a scheme of support that will be based on a fixed grant basis rather than being demand led.
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	All customers will be able to apply for assistance with the payment of Council Tax. This will be based on the income received by the household compared to the basic cost of living calculated by the Council for each applicant.
<b><u>Stage 2 - Information Gathering</u></b>	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	Council Tax Reduction caseload data for 2017/2018. This has enabled the impact of the new scheme to be modelled for individual customers.
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Due to no changes being proposed to the scheme, public consultation has not been undertaken.
(3) Which of the groups with protected characteristics have you consulted with?	

<b>Stage 3 – Analysis of impact</b>			
<p>(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination?</p> <p>If yes, identify the groups and how they are affected.</p>	<p>RACE No</p>	<p>DISABILITY No. Income from disability living allowance and personal independence payments will be disregarded when calculating entitlement</p>	<p>GENDER No</p>
	<p>MARRIAGE/CIVIL PARTNERSHIP No</p>	<p>AGE Yes – only working age claimants will be affected</p>	<p>GENDER REASSIGNMENT No</p>
	<p>RELIGION/BELIEF No</p>	<p>PREGNANCY MATERNITY Yes Customers who have their third child in the new financial year or have a break in claim will receive less support compared to a similar customer already in receipt of benefit who will be protected from the changes within the scheme.</p>	<p>SEXUAL ORIENTATION No</p>
<p>(2) If there is an adverse impact, can this be justified?</p>	<p>The changes are in line with changes introduced within Housing Benefit</p>		
<p>(3) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)</p>	<p>A discretionary fund will be available to provide additional support in exceptional circumstances. This will be dealt with on a case by case basis.</p>		

(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	N/A
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	N/A
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	None

<b><u>Stage 4 – Action Planning, Review &amp; Monitoring</u></b>																										
<p>If No Further Action is required then go to – Review &amp; Monitoring</p> <p>(1) Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</p>	<p>EqlA Action Plan</p> <table border="1"> <thead> <tr> <th>Action</th> <th>Lead Officer</th> <th>Date for completion</th> <th>Resource requirements</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Action	Lead Officer	Date for completion	Resource requirements	Comments																				
Action	Lead Officer	Date for completion	Resource requirements	Comments																						
(2) Review and Monitoring State how and when you will monitor policy and Action Plan	The Council Tax Reduction Scheme is subject to annual review																									