

CABINET MEETING

Date of Meeting	Tuesday, 19 January 2016
Report Subject	Council Tax Reduction Scheme
Cabinet Member	Cabinet Member for Corporate Management
Report Author	Chief Officer (Community and Enterprise)
Type of Report	Strategic

EXECUTIVE SUMMARY

The current Council Tax Reduction Scheme (CTRS) was approved by Flintshire County Council on 27th January 2015.

There is a requirement for the Council to formally adopt CTRS for the Authority annually.

This report ensures that the Council meet its statutory obligation to adopt the scheme for 2016/2017.

RECOMMENDATIONS

1	Agree to adopt the CTRS and maintain the current discretionary elements for 2016 – 17.
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REPORT DETAILS

1.00	EXPLAINING COUNCIL TAX REDUCTION SCHEME
1.01	The CTRS in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (As inserted by the Local Government Finance Act 2012).
1.02	The draft Regulations were laid before the National Assembly for Wales on 1 st December 2015 and will be debated on 19 th January 2016 and, subject to approval, will come into force on 20 th January 2016.
1.03	These Regulations prescribe the main features of the Scheme to be adopted by all Councils in Wales. They ensure that qualifying tax payers may continue to receive a reduction up to 100% of their Council Tax bill (depending on the level of their income).
1.04	The statutory instrument uprates certain figures used to calculate an applicant's entitlement to a reduction under the Scheme. They also make amendments relating to eligibility for a Council Tax Reduction and makes consequential amendments as a result of wider changes to welfare benefits and to ensure they remain fit for purpose.
1.05	It does not contain provisions to uprate the financial figures in relation to rates for working age, disability or carer as the UK is currently in a low inflationary period. This means that there will be a 0% increase in these rates in 2016-2017.
1.06	The statutory instrument includes amendments to Regulations to uprate figures in relation to: <ul style="list-style-type: none">• Personal Allowances in respect of pensioner rates to align these with Housing Benefit;• Non-dependant deductions in relation to income bands and deduction amounts. This amendment is required in order to make appropriate deductions from Council Tax Reductions to reflect average earnings.
1.07	These uprated figures have been calculated with assistance from the Department for Work and Pensions following the Chancellor's Autumn statement.
1.08	In addition to the uprating this statutory instrument amends the 2013 Regulations to incorporate a number of changes to legislation which governs interrelated benefits: <ul style="list-style-type: none">• Social Services and Well-being (Wales) Act 2014 and the Care Act 2014 ("the 2014 Acts)• National Insurance Contributions Act 2015• Pensions Act 2014
1.09	There is limited discretion given to the Council to apply additional elements that are more generous than the normal scheme.

1.10	<p>Discretions exercised in the current Scheme are:</p> <ul style="list-style-type: none"> a) Provide an extended payment period of 4 weeks after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks; b) Disregard the whole amount of War Disablement pensions and War Widows pensions when calculating income; c) Backdate the application of Council Tax Reduction awards for working age customers the standard period of 3 months prior to the claim.
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2.00	RESOURCE IMPLICATIONS
2.01	The cost of the Council Tax Reduction Scheme is largely covered through direct funding from Welsh Government.
2.02	This is a fixed amount and does not increase year on year to take into account of the usual inflationary increase in Council Tax.
2.03	To mitigate this the Council budgets for a provision which for 2016/2017 is £317,000 to meet the inflationary increase which assumes an annual increase in Council Tax of 3.0%.
2.04	Based prior year trends, because of a diminishing caseload and costs, there is sufficient budget provision to meet fully the cost of CTRS.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None Required.

4.00	RISK MANAGEMENT
4.01	Based on current levels of claims and the cost of CTRS, there is sufficient budget provision to meet the cost of all awards especially given that the Council will set aside £371,000 to meet increasing inflationary costs of Council Tax Increases.
4.02	The service is demand led and the Council has no control over costs, however, there are systems and measures in place to closely monitor costs against the budget and to report any discrepancies in year.
4.03	The Cost of CTRS in recent years has not increased and in the current year there is a projected surplus, however this is not risk free as any changes in the local economy could result in an increased caseload and costs.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2016</p> <p>Contact Officer: Jen Griffiths – Benefits Manager Telephone: 01352 702929 E-mail: jen.griffiths@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Council Tax Reduction Scheme – The scheme replaced Council Tax Benefit in April 2013. It is a scheme for people on low incomes to claim support towards paying their Council Tax bill. It is means tested and awards for eligible tax payers can be up to 100%.
7.02	Housing Benefit – A benefit for people on low income who require financial assistance with their housing costs.
7.03	Personal Allowances – Set by Department for Work and Pensions and is a calculation of need based on a set of personal circumstances which is then used to calculate benefit entitlement.
7.04	Non-dependant deductions – A non-dependant is someone who normally lives with the claimant, such as an adult son or daughter, relative or friend. A non-dependant deduction is applied to the calculation of Council Tax Reduction based on the income of the non-dependant.