

Meeting: EXECUTIVE

Agenda Item:

5

Portfolio Area: Resources

Date: 14 DECEMBER 2016

COUNCIL TAX SUPPORT SCHEME

BUDGET & POLICY FRAMEWORK

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1. PURPOSE

1.1 To propose a local Council Tax Support (CTS) scheme for 2017/18

2. RECOMMENDATIONS

- 2.1 That Council be recommended to approve the 2017/18 CTS Scheme proposed within this report.
- 2.2 That Council be recommended to approve the removal of empty homes discounts and the introduction of the long term empty premium from April 2017.

3. BACKGROUND

- 3.1 The Government made provision within the Local Government Finance Act 2012 to replace the current national Council Tax Benefit (CTB) scheme from 1st April 2013 with localised schemes for CTS devised by individual local authorities (LAs).
- 3.2 A local CTS scheme cannot be revised for at least one financial year. A Billing Authority (SBC) must consider whether to revise or replace its scheme with another on an annual basis.
- 3.3 Any revision to a scheme must be made by the Council by the 31 January, immediately preceding the financial year in which it is to take effect and will require consultation with those affected. Additionally consideration should be given to providing transitional protection where the support is to be reduced or removed.
- 3.4 The Council must, in the following order, consult with major precepting authorities (i.e. Hertfordshire County Council and Police and Crime Commissioner for Hertfordshire), publish a draft scheme in such manner as it

thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme.

- 3.5 Each year a report is brought to members to determine whether any changes should be made to the current scheme as outlined above and if so to start consultation during the summer.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 At a policy development meeting of the Overview and Scrutiny Members on the 31 May 2016, a number of options for changing the scheme for 2017/18 were considered. They recommended to Executive that they consider consultation on a number of these options.
- 4.2 Consideration was also given to changing the discounts on empty homes and the introduction of a premium on long term empty properties which have been empty for two or more years.
- 4.3 The Executive considered the options and the recommendations of the Overview and Scrutiny Members at their meeting on the 12 July 2016. The Executive Members recommended however to retain the existing Council Tax support scheme. The current scheme being a 8.5% liability of their council tax bill, (working age claimants) who are eligible for the maximum discount. It was therefore not necessary to carry out a new consultation for the scheme.
- 4.4 Part of the review of the Council tax support scheme also considered changes to empty homes discounts and the introduction of a premium to long term empty properties. The Executive recommended, (subject to the cost to the HRA being mitigated) the adoption of a 50% premium on long term empty properties, and the removal of the 10% discount on empty properties.
- 4.5 Officers from the Revenues & Benefits shared service and in Housing have worked closely to identify which HRA properties are correctly identified as being long term empty and therefore potentially subject to the premium charge from April 2017. These properties are monitored monthly and there are now only 17 properties, the majority of which are part of larger development plans, and three which are currently undergoing remodelling and will be let when the work is completed. Three of the 17 properties have been empty for more than 2 years as at 1.12.16.
- 4.5 The Executive is requested therefore to recommend to Council both the adoption of the long term empty premium and removal of empty homes discounts, as well as the adoption of the Council Tax Support scheme for 2017/18. The scheme is amended only by prescribed regulations and other statutory amendments, in addition to the uprating of benefits and allowances as determined by the Department for Work and Pensions.

- 4.5 The 2017/18 scheme will not be available to view before the Executive meeting as the above regulation changes have not yet been notified. However the link in the back ground papers will show the 2016/17 scheme.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The Council Tax support scheme was an estimate gross cost of 6.2Million in 2016/17 of which £791k related to Stevenage Borough Council before any grant assumptions. The 2017/18 estimated cost of the scheme is £5.9Million of which £747k relates to Stevenage Borough Council, (no assumptions about council tax increases have been included in the projections).

- 5.1.2 The cost of the 8.5% liability by band per year and per week are shown in the tables below:

Annual value of 8.5% of liability by band

8.5% per year	2013/14/ 2014/15	2015/16	2016/17
Band A	£ 82.46	£ 83.72	£ 86.54
Band B	£ 96.20	£ 97.67	£ 100.96
Band C	£ 109.95	£ 111.63	£ 115.38
Band D	£ 123.69	£ 125.58	£ 129.81
Band E	£ 151.18	£ 153.49	£ 158.65
Band F	£ 178.66	£ 181.40	£ 187.50
Band G	£ 206.15	£ 209.30	£ 216.34
Band H	£ 247.38	£ 251.16	£ 259.61

Weekly value of 8.5% of liability by band

8.5% per week	2013/14/ 2014/15	2015/16	2016/17
Band A	£ 1.59	£ 1.61	£ 1.66
Band B	£ 1.85	£ 1.88	£ 1.94
Band C	£ 2.11	£ 2.15	£ 2.22
Band D	£ 2.38	£ 2.42	£ 2.50
Band E	£ 2.91	£ 2.95	£ 3.05
Band F	£ 3.44	£ 3.49	£ 3.61
Band G	£ 3.96	£ 4.03	£ 4.16
Band H	£ 4.76	£ 4.83	£ 4.99

5.1.3 The estimated income from the changes to discretionary discounts is shown in the table below, the impact on the HRA has been built into the draft HRA budget to the January Executive.

Long Term Empty Premium and discounts

Long term empty premium (at 1.12.16)	100% of Income	SBC retains 12.67%
Non HRA properties	£15,695	£1,988
HRA properties	£2,545	£322
Total	£18,240	£2,310
Empty and substantially unfurnished & Empty-uninhabitable – est. 2016/17	100% of Income	SBC retains 12.67%
Non HRA properties	£36,000	£4,561
HRA properties	£14,000	£1,773
Total	£50,000	£6,334
Total from discounts and premiums	£68,240	£8,644

5.2 Legal Implications

5.2.1 As set out in the report to Executive on 12 July 2016 – attached as Appendix A.

5.3 Equalities and Diversity Implications

5.3.1 The Equality Act 2010 S149 sets out the public sector equality duty which requires the Council, when exercising its functions (including those as an employer) to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

5.3.2 As no changes to the scheme have been recommended the EQIA for the scheme remains in place. The council must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures faced by the Council form part of the analysis shown in the equality impact assessment.

5.4 Risk Implications

5.4.1 As set out in the report to Executive on 12 July 2016 – attached as Appendix A.

5.5 Policy Implications

5.5.1 As set out in the report to Executive on 12 July 2016 – attached as Appendix A.

BACKGROUND PAPERS

BD1 - CTS scheme 2016/17

<http://www.stevenage.gov.uk/content/15953/56494/19341/Council-Tax-Support-Scheme-16-17.pdf>

APPENDICES

Appendix A - Report to the Executive 12 July 2016