



Derby City Council

COUNCIL CABINET
8 November 2017

Report of the Cabinet Member for Finance and
Governance

ITEM 8

Approval of the Council Tax Support Scheme (CTS) for 2018/2019

SUMMARY

- 1.1 Derby's local Council Tax Support (CTS) Scheme was introduced from 1 April 2013, to replace the national Council Tax Benefit (CTB) Scheme which had been abolished by Central Government. The CTS Scheme assists working age claimants who require financial assistance with paying their Council Tax bills. Pensioners are not affected by the CTS Scheme as they are treated separately under different legislation.
- 1.2 On 18 January 2017 Council Cabinet approved a number of changes to the CTS Scheme to take effect from 1 April 2017, plus one additional change to take effect from 1 April 2018. These changes had been the subject of a full public consultation and Equalities Impact Assessment (EIA).
- 1.3 The only change agreed to take effect from 1 April 2018 is to increase the minimum contribution that certain households affected by disability and where disability income has been awarded will pay, from 27.5% to 30%.
- 1.4 The CTS Scheme has therefore been updated to show this change, in line with the requirement in the Local Government Finance Act 2012, Schedule 4 paragraph 5 for year-on-year changes to an existing Scheme to be separately approved prior to implementation. No other changes to the Scheme have been made. The proposed Scheme from 1 April 2018 is at Appendix 2.

RECOMMENDATION

- 2.1 To approve the CTS Scheme from 1 April 2018.

REASONS FOR RECOMMENDATION

- 3.1 To implement the decision made by Council Cabinet on 18 January 2017.



Derby City Council

COUNCIL CABINET 8 November 2017

Report of the Director of Finance

SUPPORTING INFORMATION

- 4.1 During 2017/18 transitional protection has been given to working age claimants where there is a level of disability and disability income has been awarded. This applies only where a disability premium, severe disability premium, enhanced disability premium or disabled child premium is allowed when calculating CTS entitlement. These claimants are required to pay a minimum contribution of 27.5%, instead of the full 30% contribution. This protection will end on 31 March 2018. From 1 April 2018 this cohort of claimants will be required to pay the same 30% minimum contribution along with all other working age CTS claimants.
- 4.2 Ending this transitional protection will affect around 3,900 households. The Council currently pays around £2,421,747.65 CTS each year to these households. Increasing the minimum contribution to 30% for this cohort of claimants will reduce the amount of CTS that the Council will pay out to these households by around £80,000.00 in 2018/2019. This will mean that these households have to pay an average of £21.44 more Council Tax each year.
- 4.3 There are no other changes to the CTS Scheme from 1 April 2018. Features of the Scheme that will remain in place include:
- (a) The minimum contribution of 30% for all working age CTS claimants;
 - (b) The restriction of all CTS awards to Council Tax Band A level;
 - (c) The capital limit of £6,000.00;
 - (d) The minimum weekly CTS award limit of £4.00 a week;
 - (e) The Family Premium in the CTS calculation;
 - (f) We use Housing Benefit (HB) rules and deductions for the treatment of non-dependents (other adults in the claimant's household), but use a small weekly deduction of £4.00 for those non-dependents who are able to demonstrate that they have gross income of less than £100.00 a week, including those on a passport benefit and those on Universal Credit (UC) who are not working;
 - (g) We use HB rules for temporary absence and backdating decisions.
- 4.4 No EIA has been done for the discreet change being made to the CTS Scheme from 1 April 2018. This is because an EIA took place on 6 October 2016 during the consultation period that sought views on giving Transitional Protection for one year – this was accommodated in the 2018/2019 changes now being presented to Cabinet.

OTHER OPTIONS CONSIDERED

- 5.1 Do nothing. This is not an option as the CTS Scheme is required to change from 1 April 2018 – this was approved by Cabinet on 18 January 2017.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Toni Nash, Head of Finance Liz Moore, Head of HR Mark Taylor, Interim Director of Finance Lynda Innocent, Head of Information Software Support Ann Webster, Equality and Diversity Lead
For more information contact: Background papers: List of appendices:	John Massey 01332 643774 john.massey@derby.gcsx.gov.uk None Appendix 1 – Implications Appendix 2 – CTS Scheme for 2018/2019

IMPLICATIONS

Financial and Value for Money

- 1.1 Ending transitional protection will affect around 3,900 households. These households will have to pay an average of £21.44 more Council Tax each year.
- 1.2 The impact of the recommended Scheme on affected households has been modelled using clean data from the Council's Benefits system provider. The modelling was done based on the current CTS charge that applies to each household, with current premiums and income rates.
- 1.3 Based on the modelling work done, it is forecast that the discreet change being made to the Policy from 1 April 2018 will deliver a saving of around £80,000.00.

Legal

- 2.1 The Council effectively consulted on a two-year CTS Scheme between 5 August 2016 and 28 October 2016, part of which accommodated the changes from 1 April 2018. On that basis there is no requirement for further consultation on the change being made to the CTS Scheme from 1 April 2018 which is simply to enable operational implementation of the decision made in January 2017 to be effected.

Personnel

- 3.1 None

IT

- 4.1 None

Equalities Impact

- 5.1 No EIA has been done for the discreet change being made to the CTS Scheme from 1 April 2018. This is because an EIA took place on 6 October 2016 during the consultation period that sought views on giving Transitional Protection for one year.

Health and Safety

- 6.1 None

Environmental Sustainability

- 7.1 None

Property and Asset Management

8.1 None

Risk Management and Safeguarding

9.1 None

Corporate objectives and priorities for change

10.1 The recommended CTS Scheme from 1 April 2018 aims to protect both families and vulnerable households across the City. This links into the Council's priorities for Derby to be a safe place where the vulnerable are put first and supported.