

Council

14 December 2017

Agenda Item 56

Brighton & Hove City Council

Subject:	Council Tax Reduction Review Extract from the proceedings of the Policy, Resources & Growth Committee Meeting held on the 30 November 2017
Date of Meeting:	14 th December 2017
Report of:	Executive Lead for Strategy, Governance & Law
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Wards Affected:	All

FOR GENERAL RELEASE***Action Required of the Full Council:***

To receive the item referred from the Policy, Resources & Growth Committee for decision:

Recommendations:

That the Council Tax Reduction Scheme (CTR) be approved.

BRIGHTON & HOVE CITY COUNCIL

POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 30 NOVEMBER 2017

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillors Morgan (Chair), Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bell, Mitchell, Peltzer Dunn, Sykes, Wealls and Yates.

PART ONE**61 COUNCIL TAX REDUCTION REVIEW**

- 61.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to the Council Tax Reduction Review. The Council introduced a local Council Tax Reduction (CTR) scheme from 1 April 2013 as a result of national changes to the Council Tax Benefit (CTB) system. Under legislation the local Council Tax Reduction Scheme must be reviewed each year. The purpose of the report was to set out that review and its recommendations.
- 61.2 Councillor Sykes noted that a decision had been made at Leaders Group that the council would not consult on the Scheme for 2018/19 meaning there was no opportunity to make changes. Councillor Sykes stated that the original decision had been made too quickly and should have included a fuller picture of budget and financial information. Councillor Sykes added that whilst he appreciated that consultation was costly and the response rate low, he felt it unfortunate that meant that the council would not be able to amend the scheme even slightly, for example to change the taper rate. Councillor Sykes expressed his concern that little was known about the decline in uptake that could relate to people leaving the city or that potential claimants were unaware of the scheme, particularly when matched against other key data such as the significant rise in food bank use. Councillor Sykes stated his group would be abstaining in response to the recommendations.
- 61.3 Councillor Hamilton stated that a consultation with the people affected held in the previous year had received a response rate of approximately 2 per cent. Councillor Hamilton noted that the consultation would cost around £15,000 to £20,000 and he did not believe that could be justified in the circumstances. Councillor Hamilton added that due to the drop of 7,000 claimants, the identified saving of £250,000 could be made without any changes to the system. Furthermore, further monies were proposed in the budget to mitigate the impact of welfare reform. Councillor Hamilton brought attention to the transitional protection arrangements that would move to Discretionary Council Tax

Reduction from April 2018, and that those that qualified for the former would be invited to apply for the latter as part of that change.

- 61.4 Councillor Mac Cafferty relayed his concern about the net effect of not consulting adding that he was sceptical as to why there had been a drop of 7,000 claimants and Members and officers needed to know the reasons behind that. Councillor Mac Cafferty added that he believed many people were unaware of the support available and it was vitally important to find out whether the scheme was working or not by conducting a consultation.
- 61.5 The Chair stated that there was a broader issue of the overall impact of welfare reform and whether the support the council provided was sufficient which was an issue the Neighbourhoods, Inclusion, Communities & Equalities Committee could consider as the relevant portfolio holder.
- 61.6 The Executive Director, Finance & Resources stated there were many anecdotal reasons for the drop in the number of claimants although no specific research had been undertaken in Brighton & Hove.
- 61.7 The Chair stated that the Policy Team could be asked to look into the issue further and as a nationwide issue; there may be other research the council could draw upon to provide a more comprehensive understanding of the impact of changes to the welfare system.
- 61.8 **RESOLVED-** That the Policy, Resources & Growth Committee:
- 1) Notes the review of the Council Tax Reduction scheme.
 - 2) Notes that the calculative elements of the scheme will be updated in line with national amounts. (These are the amounts used to work out CTR entitlements based on the number and age of people in the household and their circumstances)
 - 3) Notes the latest forecast reductions in claimant numbers will meet the forecast cost of the scheme included in the integrated service and financial plans (ISFPs) for 2018/19.
 - 4) Approves £150,000 funding for the discretionary fund in 2018/19; this would require one-off funding of £140,000.
- 61.9 **RESOLVES TO RECOMMEND:**
- That Policy, Resources & Growth Committee:
- 1) Recommends the scheme to Full Council.

