

**Item CB 16/76 referred from Cabinet minutes of 12 October 2016**

**CB 16/76 REVIEW OF THE COUNCIL'S LOCAL COUNCIL TAX REDUCTION SCHEME**

Further to Decision No D160038CAB, the report of the Director of Finance and Transformation provided detailed results arising from the recent council tax reduction scheme (CTRS) consultation process together with the findings of the second stage equality impact assessment (EQIA). Members were reminded of the two main objectives of the review relating firstly to the cost of the scheme in the context of reducing government grants and secondly to targeting support to those most in need. Reference was made to potential arrangements for an exceptional hardship policy and, following Members' agreement of the recommendations, the outcome of discussions by the Kent Finance Officers' group regarding contributions by the major precepting authorities towards the administrative costs of the CTRS.

A more detailed EQIA was circulated before the meeting setting out potential impacts of the various options within the consultation on people with protected characteristics and mitigating actions required in each case. These were taken into account during the careful consideration given to each option and the responses received in the consultation, including those of the statutory consultee, Kent County Council. It was confirmed that the options aligning the scheme to Housing Benefit regulations also included additional protection for certain claimants with protected characteristics. These covered some of the mitigations within the EQIA and additional protection would be provided by the introduction of an exceptional hardship scheme in the revised CTRS.

The Cabinet recorded appreciation of the work of the Director of Finance and Transformation for her work in leading the Kent Finance Officers' group and, along with colleagues, in bringing forward with clarity the outcome of a very challenging review.

Members were advised that the full CTRS together with the exceptional hardship scheme would be presented to the Full Council on 1 November.

**RECOMMENDED:** That

- (1) the potential impacts on people with disabilities, carers, women and working age groups be noted together with the following measures to mitigate them:
  - (i) continuing to treat people with disabilities and carers more favourably by disregarding some incomes, thereby giving them a higher entitlement to council tax support;
  - (ii) continuing to make allowances for childcare costs in line with the national scheme;
  - (iii) a further review of the scheme within three years from 1 April 2017 to identify any longer term measures needed to mitigate any ongoing impacts;

- (2) having considered the above, the full consultation results (including the response from the statutory consultee, Kent County Council) and having had due regard to the matters under the Public Sector Equality Duty (as set out in the Equality Impact Assessment), the following options be included in the Council's Council Tax Reduction Scheme from 1 April 2017

Option 1a – reduction of the maximum level of support to 80%;

Option 2 – removal of the Family Premium for all new working age claims (to align with housing benefit rules);

Option 3 – reduction of the period a claim can be backdated to one month (to align with housing benefit rules);

Option 5 – reduction of the period a person can be absent from Great Britain to four weeks to align with housing benefit rules which provide exceptions when receiving medical treatment or being posted overseas as a member of HM Forces or having fled home through fear of violence;

Option 7 – introduction of standard levels of non-dependant deductions of £0.00 and £10 based on the current rules for housing benefit claimants, maintaining the classifications for the £0.00 deduction rate to protect claimants with disabilities and/or care needs;

Option 11 – removal of Second Adult Reduction;

Option 12 – removal of the Work Related Activity Component in the calculation for new Employment and Support Allowance applicants to align with housing benefit rules proposed for April 2017. This would only be introduced if the change goes ahead in the housing benefit scheme;

Option 13 – limit on number of children taken into account on a claim to two to align with changes to housing benefit rules proposed for April 2017. This would only be introduced if the change goes ahead in the housing benefit scheme;

Option 14 – introduction of a targeted protection scheme based on Exceptional Hardship to mitigate the impact of the changes to the 2017/18 CTRS and assist claimants facing exceptional hardship.

**\*Referred to Council**