
Report to COUNCIL

The 2018/19 Council Tax Reduction Scheme

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and HR

Officer Contact: Anne Ryans, Director of Finance

Report Author: Caroline Lee, Head of Revenues and Benefits
Ext. 4905

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Reason for Decision

The purpose of the report is to seek approval of the Council Tax Reduction Scheme for 2018/19.

Executive Summary

Members will recall that there is a requirement to have a Council Tax Reduction scheme to support residents who qualify for assistance in paying Council Tax. The Local Government Finance Act 2012 places a requirement that each year a Billing Authority must consider whether to revise its Council Tax Reduction (CTR) scheme or to replace it with another scheme. Any change to the 2018/19 scheme must be agreed by full Council no later than 31 January 2018. For Oldham, this requires the Council to agree a revised 2018/19 scheme at the 13 December 2017 Council meeting.

The Councils CTR scheme has been largely un-amended since April 2015 when the Council introduced a scheme that:

- Limited CTR to a maximum of 85% of a Band A property
- Removed second adult rebate for those of working age

The scheme was calculated to generate an amount of funding that when taken alongside the direct grant received and additional income from technical reforms, made the scheme viable. The CTR element of this calculation works on the basis of a presumed collection rate.

Since 2016, there have been a number of legislative changes (which include both advantageous and disadvantageous changes for the claimant), to the Housing Benefits Regulations and these have not been aligned to the CTR scheme. This increases both the income and administrative costs of the scheme for the Council and could create confusion for residents.

In April 2017, Universal Credit Full Service (UC) commenced its roll out in Oldham and this presents the Council with an opportunity to reconsider its scheme for 2018/19 given the particular challenges UC presents in relation to managing changes of circumstance for CTR claimants and resulting impacts on Council Tax collection.

Full consideration of all the options available for the 2018/19 scheme will ensure that the impact on residents of proposed changes are fully developed and considered and will ensure that the scheme continues to remain fit for purpose for all CTR claimants and for the Council.

The options set out for consideration within the report are:

- 1) Maintaining the present level of support i.e. limiting the level of support at 85% of a Band A property as the maximum amount available.
- 2) Limiting the maximum level of support from 2018/19 to 82.5% of a Band A property
- 3) Aligning the Council Tax Reduction scheme to reflect some or all of the changes made to Housing Benefit since April 2016
- 4) Changing the method of assessment for Universal Credit Council Tax Reduction cases
- 5) Introducing a minimum income floor for self-employed Council Tax Reduction claimants

After evaluation of proposed options, it is recommended that no change is made to the current CTR scheme and that the scheme operating in 2017/18 continues into 2018/19. This recommendation was presented to Cabinet at its meeting on 20 November 2017. Cabinet has commended approval of this recommendation to Council.

Recommendation

It is recommended that Council approves the continuation of the current CTR scheme for 2018/19 and that the 2018/19 scheme is therefore the same as that operating in 2017/18.

The 2018/19 Council Tax Reduction Scheme**1 Background**

- 1.1 Prior to April 2013, Council Tax Payers who qualified for assistance could apply for Council Tax Benefit (CTB) to help pay their Council Tax. The Council Tax Benefit (CTB) scheme was administered by Local Authorities on behalf of the Department for Work and Pensions (DWP), and was assessed on a means tested basis. Under this national scheme, Council Tax payers could receive benefit of up to 100% of their Council Tax liability. The Council then received full funding from the Government for all correct Council Tax Benefit awards made. Changes introduced by the Government abolished CTB from 1 April 2013 and made Local Authorities responsible for setting up their own local Council Tax Reduction schemes (CTR) for working age people. The Government also reduced the amount of funding given to Councils to pay for the schemes in 2013/14 by 10%. The CTR scheme for pensioners is set by the Government and is not subject to the funding cuts. In devising new CTR schemes, the majority of Local Authorities have largely adopted schemes that replicate the old CTB schemes and then applied a minimum payment for working age customers to make up the funding difference.
- 1.2 Since 2014/15, the amount of grant received from Government to pay for CTR has been included within the general grant (Revenue Support Grant) that the Council receives and the amount to support CTR schemes is not specifically identified year on year. Revenue Support Grant (RSG) continues to be significantly reduced each year and with the introduction of the pilot of 100% Business Rates Retention and the subsuming of RSG into the Councils Business Rates Top Up Grant, it is fair to say the link between Central Government funding and Central Government support for CTR has been cut.
- 1.3 The legislation confers an obligation on the Council to consider whether to review this scheme on an annual basis. This consideration needs to be given by full Council on a date before 31 January 2018. The last Council meeting before this date is 13 December 2017.

2 Current Position

- 2.1 The Council currently has a CTR scheme that awards a maximum payment of 85% of a Band A rate of Council Tax and has removed the provision to award second adult rebate for claimants of working age. Other than these changes, the scheme is almost identical to the old CTB scheme.
- 2.2 Early indications are that collection rates on the debt due for 2017/18 are 75% and this suggests a collection rate above the estimated 70% and an outturn position which could be as high as 80% for working age CTR cases. An additional 5% collection could result in an extra £225k in Council Tax receipts for 2017/18. However, the impact of the roll out of the full service of Universal Credit which began on 26 April 2017 has still yet to be fully felt across the borough and this could impact on CTR take up and collection levels into 2018/19.

2.3 There have been a number of changes to the Housing Benefit scheme from April 2016 and this means that the CTR scheme does not align with revised Housing Benefit regulations. The main changes are:

- The family premium was removed for all new claimants
- In households with two or more children, any subsequent children born after April 2017 are no longer be eligible for further support
- Limiting backdating to one month (previously this was six months)
- Changes to the temporary absence for a rule (this limits housing benefit payments to 4 weeks from 13 weeks for those travelling abroad)
- There is an Employment and Support Allowance Work related activity component from 3 April 2017
- There is a disregard of Post Graduate Master's degree loan and special support loans
- Disregard of bereavement payments from 3 April 2017
- Severe Disability Premium has been withdrawn for all cases where a person received Universal Credit (carers element)
- Payments received from the We Love Manchester Emergency Fund (WLMEF) and the London Emergencies Trust (LET) should be disregarded (both funds were set up following the terrorist attacks in Manchester and London).

2.4 The roll out of the Universal Credit full service commenced in Oldham in April 2017 and by 2018/19, there will be a significant number of CTR claimants in receipt of Universal Credit. These cases will result in multiple changes in the assessment of CTR with potentially as many as 40% of cases changing each month. This is because the DWP issue real time earnings information and other changes for each 5 week assessment period to the Council even for very slight changes in income. This increases administration for Local Authorities and impacts on Council Tax collection and recovery particularly if a new Council Tax bill and payment instalment plan is issued every month.

3 Options/Alternatives

3.1 Five options have been considered in assessing the recommendation to Council. These are set out below in summary and in detail in paragraphs 3.2 to 3.6. A CTR working group of Council officers was formed to review and analyse the current scheme and to help inform whether to recommend further CTR proposals for 2018/19. The group was made up of representatives from Finance, Policy, Business Intelligence, Legal, Communications and Revenues and Benefits Services.

The group discussed 5 options:

- 1) Maintaining the present level of support i.e. limiting the level of support at 85% of a Band A property as the maximum amount available.
- 2) Limiting the maximum level of support from 2018/19 to 82.5%
- 3) Aligning the CTR scheme to reflect some or all of the changes made to HB
- 4) Changing the method of assessment for UC CTR cases

5) Introducing a minimum income floor for self- employed CTR claimants

3.2 **Option 1 - Maintain the current 85% maximum scheme**

The advantage of maintaining the current scheme is that it has relatively high collection rates, it is understood and established within Oldham and is very similar to the Housing Benefit and Pensioner CTR scheme. A 75% collection rate would deliver the income needed to meet the Council Tax income requirements for 2018/19. The scheme has not aligned with the welfare reform changes applied to Housing Benefit since 2016. This option protects financial support to residents of working age on low incomes following welfare reform changes.

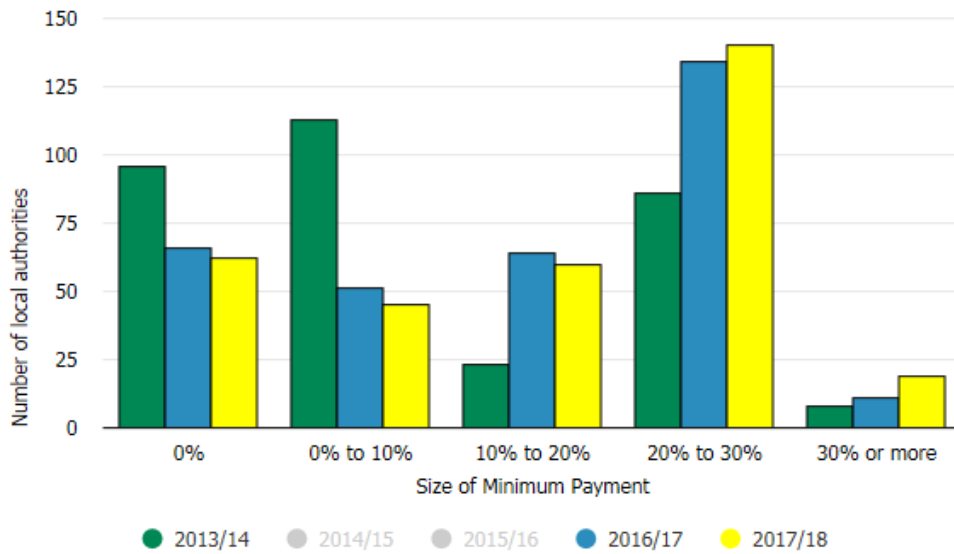
3.3 **Option 2 – Reducing the maximum support to 82.5%**

For Oldham, Council Tax income would increase by £223k for each 2.5% reduction in Council Tax support assuming a collection rate of 75%; Oldham's share of this income, once the GMCA has received its share of Council Tax for Police and Fire Services, would be £194k.

Increasing the charge by reducing the support available for Council Tax per annum year on year has been a common approach by Local Authorities since 2013; charges vary across the Country with the highest minimum payment currently set at 45%. There has been a large and steady drop in the number of Councils with smaller minimum payments levels (of 10% or less); from 113 in April 2013 to 45 in April 2017. The number of Councils with a minimum payment of between 10% and 20% has fallen slightly to 60 in April 2017, four fewer than last year but up from 23 in April 2013. A level of 20% to 30% is the most common minimum payment, with 140 Councils choosing this level in April 2017, six more than the previous year and up from 86 in April 2013. The largest increase in April 2017 was among Councils setting a minimum payment at 30% or above. Currently, 19 Councils have a minimum payment of 30% or over, up from 11 the previous year and 8 in April 2013. The following graph illustrates the comparative position.

A minimum payment of 17.5% for Oldham would still place the Council at the lower end of minimum payments required from residents across the country.

The graph below shows the number of councils by the level of minimum payment:



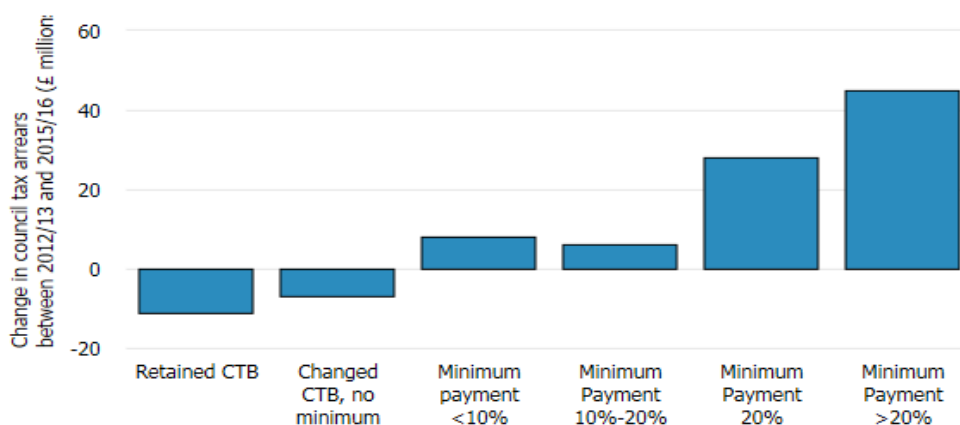
Source: www.counciltaxsupport.org

Neighbouring Local Authority minimum weekly CTR payments for 2017/18 are detailed below:

Local authority	Band A Charge 17/18	Maximum Support %	Minimum weekly payment if in receipt of full CTR.
Oldham	£1,149.56	85%	£3.31
Rochdale	£1,114.25	85%	£3.21
Tameside	£1,045.36	75%	£5.01
Stockport	£1,162.67	100%	£0.00
Manchester	£1,001.41	82.50%	£3.36
Trafford	£937.21	100%	£0.00
Bury	£1,096.26	80%	£4.20
St Helens	£1,043.35	80%	£4.00
Warrington	£1,553.63	100%	£0.00
Halton	1,033.33	78.45%	£4.27
Wigan	£983.13	80%*	£3.77

**except for households with children under 5*

However, it is important to note that an increase in minimum payments can impact collection levels and result in Council Tax becoming a more regressive tax for low income residents than for those on higher incomes.



The graph above takes into account the change in the council tax bases between the years to calculate the additional amounts of uncollected taxes in 2015/16 compared with 2012/13, the last year of CTB. Although arrears include residents who are not in receipt of CTS, it shows that those Councils with a larger increase in minimum payment saw a bigger increase in arrears. Local Authorities with a 20% increase in minimum payment had an additional £27.7 million in uncollected taxes in 2015/16 when compared with 2012/13. Local Authorities with a minimum payment of more than 20% had an additional £45.0 million in uncollected taxes in 2015/16 when compared with 2012/13. In contrast, Local Authorities who effectively retained CTB have seen a decrease of £10.6 million.

3.4 **Option 3 – Aligning the CTR scheme with some or all of the Housing Benefit changes since April 2016**

Changes to Housing Benefit (HB) were introduced from 1 April 2016 which meant that the Council Tax Reduction Scheme from 2016/17 does not align with the revised Housing Benefit Regulations. The Government has amended the Council Tax Prescribed Regulations for Pension Age applicants in line with these changes where appropriate. The administration of Council Tax reduction is undertaken alongside the administration of Housing Benefit. With that in mind, some Local Authorities feel that it is important to align the Council Tax Reduction scheme as much as possible for ease of administration, to provide certainty for claimants and to ensure changes that are both advantageous and disadvantageous for claimants are factored into the scheme. The Council chose not to align changes in 2016 and more changes have now been introduced in 2017. One of the issues arising from aligning the schemes is that Housing Benefit can be amended at any point in the year but the Council Tax Reduction scheme can only be changed from 1 April in any year after prior consultation.

Neighbouring Local Authority CTR schemes for 2017/18 are detailed below

Authority	Reduction	Aligned scheme to HB
Oldham	85% maximum Band A	No
Rochdale	Increased maximum amount from 80% to 85%	Yes – removed Family Premium, 2 child limit and changed temporary from GB to 4 weeks
Tameside	Maximum award for working age 75% of Band A	Removed Family Premium last year, no change to the temporary absence rule
Stockport	100% liability but capped to Band A/Band B depending on size requirements	No
Manchester	Reduced maximum amount from 85% to 82.5%	Yes – removed Family Premium, 2 child limit and changed temporary absence from GB to 4 weeks
Trafford	100% up to Band D	Yes – removed Family Premium, 2 child limit and changed temporary absence from GB to 4 weeks
Bury	Changed scheme to 80%	Capped number of children to 2
St Helens	80% of band A	No
Warrington	Band A 100% Band B-H 91.5%	Removed Family premium for new claims and reduced backdating claims from 6 month to 1 month
Halton	No change to scheme remained at 78.45% reduction	No
Wigan	Remain 80% except for households with children under 5	Brought into line with HB changes last year

The differences between the HB scheme and the impacts of aligning them with the Council Tax Reduction scheme can be summarised as follows:

- **Removal of the Family Premium for all new claimants**

Claimants, based on their individual circumstances, have a maximum amount of weekly income they can receive before their income starts to affect the amount of CTR received. This figure is called the applicable amount and is compared against the household's income and capital to work out how much CTR the claimant will receive.

The applicable amount has three main parts, these are:

- An amount for the claimant and partner - the personal allowance
- An amount for any dependent children - the children's personal allowance.
The dependants allowance for each child is £66.90

- A premium - an element which the household may qualify for to cover any special needs they have e.g. the family premium. The family premium is a premium of £17.45 added to the applicable amount if there are any dependent children in the household

CTR is calculated by comparing the income of the household with the applicable amount. If income is less than or equal to the applicable amount, the claimant receives the maximum CTR (for Oldham this is 85% of Band A liability); If income exceeds the applicable amount then for every extra £1 of income received; 20p is deducted from CTR (this is the 20% taper).

In 2016, the Government removed entitlement to family premium for new claims and new families but retained entitlement to family premium for existing cases. The Council chose to continue to award family premium for new CTR cases. This decision meant that new families did not lose out on this premium but that £112k was foregone in 2016/17 and a projected £108k will be foregone in 2017/18. The impacts on CTR claimants and the loss of family premium is illustrated in the table below.

Impacts on claimants of loss of family premium on CTR cases in 2017/18		
Weekly impact (per claimant)	No of cases	Impact per annum (per claimant)
Nil - Number still below applicable amount and entitled to maximum CTR	352	Nil
£1.87 average	69	£97.51
£3.49 per week (20% of £17.45)	561	£182
Total	982	

The Council could choose to implement this change to align the treatment of family premium with Housing Benefit in 2018/19. Existing claimants would continue to be protected so any change would only affect new claimants and those who have a first child. The change would mainly affect in-work households as claimants on benefits such as income related Jobseekers Allowance and income related employment and support allowance are 'passported' i.e. entitled to the maximum CTR award automatically.

- **Restricting dependants allowance in households with two or more children**

From April 2017, the number of children attracting the dependants allowance of £66.90 in Housing Benefit was restricted to two children for new claims and for claims where there is a new dependent child joining the household after this date. The Government made this change in Housing Benefit so that claimants did not receive a higher award of Housing Benefit because the individual child element payment in Child Tax Credit award had also been restricted to two children.

The Council has chosen not to apply this restriction in 2017/18 but could elect to do so in 2018/19. The change would impact new claims and those where there has been an increase in the family. There are exceptions to this restriction e.g. for multiple births. Existing claimants with large families would continue to be protected. Further detailed financial modelling would be required to further estimate the direct

cost of this change as many of the same new claimants may have already lost entitlement to CTR as a result of the loss of the family premium but would also have a reduction in income as a result in child tax credit restrictions. Most recent information indicates that about 179 claims would be affected by this restriction.

- **Limit backdating of CTR claims from six months to one month**

From April 2016, Housing Benefit claims for those of working age can only be backdated for one month; previously it could be awarded for six months. The Council could choose to reduce CTR backdating limits to one month; retaining the six month provision in 2017/18 is estimated to cost the Council £21k. Making this change in 2018/19 is not recommended because of the roll out of Universal Credit (UC) full service. This change may result in residents claiming UC and omitting to claim CTR at the same time (Housing Benefit and CTR are currently claimed simultaneously). Maintaining the current 6 month backdating period would maximise the Councils opportunity to support residents during the UC migration period and allow a six month backdating award where residents would potentially have missed out on their entitlement.

- **Other CTR changes that could be aligned with Housing Benefit changes**

- Reducing payments of CTR on the grounds of temporary absence from 13 weeks to 4 weeks. Housing Benefit rules were amended in July 2016 to reduce the payment of HB from 13 to 4 weeks for periods of absence from home outside Great Britain.
- Removal of Employment and Support Allowance Work Related Activity component from Housing Benefit applicants (Working Age only) from 3 April 2017. The work related activity component was removed from the calculation of new Housing Benefit claims from April 2017.
- Withdrawal of Severe Disability Premium for CTR claims where a person is in receipt of Universal Credit (carers element) for them
- Disregard of Bereavement Support payments which were introduced in April 2017. This replaced Bereavement Allowance and is paid at a rate of £350 per month (children) or £100 per month (no children)
- Disregard of post graduate master's degree loan and special support payments.
- Disregard payments received from the We Love Manchester Emergency Fund (WLMEF) and the London Emergencies Trust (LET) set up following the terrorist attacks in Manchester and London.

These changes affect a very small number of CTR claimants For example, in 2017/18 to date there is only 1 claim where Bereavement Support Allowance is in payment in 2017/18 and 13 claims where the Employment and Support allowance work related activity component applies. The changes include allowing new income to be disregarded which is beneficial for claimants. The impact of applying the changes is not material for the Council at an estimated £10k. Any disproportionate impacts of these changes for claimants could also be mitigated through the use of the Exceptional Hardship Fund.

3.5 Option 4 – Amending the CTR scheme for Universal Credit claimants

The roll out of the full service of Universal Credit (UC) commenced in Oldham from 26 April 2017. Universal Credit replaces six working age benefits including Housing Benefit. This means that for new claims and for existing Housing Benefit claims from working age customers who have a relevant change in circumstances, Universal Credit will now be claimed online directly at Gov.uk and Council Tax Reduction applied for separately online with the Council. The DWP then reassesses UC every month for claimants and notifies the Council of the change to the award. There can be large numbers of multiple changes for one claimant and these changes can be for very small changes in income. If reassessed each month, this results in a new assessment of CTR, new Council Tax bill issued and new payment instalment plan for the customer. This can cause confusion for the customer and negatively impacts Council Tax collection and administration.

A Greater Manchester (GM) workshop was held in July 2017 to fully assess impacts of UC roll out on CTR and to consider potential changes to the GM schemes from 2018/19. The changes considered included:

- Introducing a fixed income period for CTR UC claims - claims could be reassessed every three months or six months at a flat rate regardless of changes to the customer's income over that period. Extensive modelling will need to be carried out to determine the costs and benefits of implementing such as scheme and the impacts on CTR administration and the customer.
- Introducing a 'tolerance' within the scheme to allow for multiple changes. This would continue with the current CTR scheme but changes to entitlement which would increase or decrease entitlement below an agreed level would not affect the award of CTR. The Council would need to decide:
 - the level of change in financial terms that would not be actioned
 - whether the tolerance would apply to both increases and decreases in entitlement equally
 - whether changes should be accumulated and then actioned when all changes 'add up' to more than the tolerance level and
 - whether the tolerance level should apply to all applicants irrespective of the income/benefits they receive

The Department for Work and Pensions is planning to automate the monthly notifications of changes in income from the UC data hub to Local Authorities in 2018/19 and also plans to review the data set provided to Local Authorities. This is to reduce the numbers of duplicate, incorrect and other notices that are of no value to Councils while retaining the transfer of important customer information. This may have a positive effect on UC CTR processing which could render an early change in scheme unnecessary. With that in mind, it is considered appropriate to continue to manage workloads and the assessment of changes in the short term until technological improvements are in place and evaluated. The effect on Council Tax collection of the UC system for Oldham's CTR caseload will continue to be monitored over the coming months and impacts factored in to any proposed re-design of the CTR scheme in 2019/20.

3.6 **Option 5 – Adopt a minimum income floor for self-employed cases**

The Council could choose to implement a minimum income floor for self-employed applicants. This would replicate the treatment of self-employed earnings in Universal Credit whereby any applicant commencing in self-employment would be allowed to declare zero income for the first year from the date of start up on the new business. Thereafter, the scheme would assume that income generated from the business would be at least the National Minimum/Living wage x 35 hours per week. This could create an incentive for self-employed claimants to develop their business and reduce reliance on other benefits such as Tax Credits. There are 1,048 CTR claims with a self-employed claimant and/or partner.

4 **Preferred Option**

- 4.1 The preferred option is Option 1. As current collection levels are deemed sufficient to meet the 2018/19 budgeted Council Tax requirements, the preferred option is to maintain the Council Tax Reduction scheme as is for 2018/19. This option protects financial support to residents of working age on low incomes following welfare reform changes. It is also prudent to wait to fully evaluate the impact of the roll out of the full service of Universal Credit on CTR administration and include this within the review of the CTR scheme for 2019/20. The 2017/18 CTR scheme documentation will therefore be unchanged except for any national revisions to allowances introduced by the DWP in early 2018

5 **Consultation**

- 5.1 The legislation requires consultation prior to the making of a change to the Council Tax Reduction scheme but there is no such requirement when no change is being made. Accordingly, there has been no public consultation in respect of the CTR scheme for 2018/19. Consultation has taken place with the Greater Manchester Combined Authority as the major preceptor for Police and Fire Services. The proposed CTR scheme was reported to and approved by Cabinet at its meeting of 20 November 2017.

6 **Financial Implications**

- 6.1 The direct grant previously paid by the Department of Communities and Local Government for Council Tax Reduction Support has now been subsumed within the Council's Settlement Funding Assessment and Revenue Support Grant (RSG) figure which has itself been incorporated within Business Rate Top Up grant under the piloting of 100% Business Rate Retention. The link between CTR arrangements and grant compensation is no longer evident, given the level of grant funding that has been reduced under the Government's austerity agenda.
- 6.2 As at the time of preparing this report, 83% of claimants have made some payment towards their 2017/18 Council Tax bills, suggesting a collection rate above that of the estimated 70%. As outlined above, data is not available to assess how many of these claimants making payments will fall into arrears during the rest of the year, however, it is envisaged that proactive collection methods implemented by the Unity Partnership will enable the Council to collect an amount of at least 70% and

possibly between 75% and 80% of the amount due in 2017/18. Weekly monitoring of the collection rate is being maintained to manage the risk of non-collection. One perceived risk at this stage is that the present collection rate will reduce throughout the remainder of the financial year and beyond as the Government's welfare change programme is phased in. The amount of disposable income many of the scheme's claimants will have available to meet Council Tax and other financial commitments is likely to reduce. This will have the impact of increasing the risk of arrears from those who are currently paying their Council Tax.

- 6.3 The table below summarises the current scheme and potential options for consideration. Each option assumes a collection rate of 75% (deemed feasible given current projected collection levels).

Scheme Options	% Band A Property	CTR Billed	Collection Rate	CTR Income
	%	£m	%	£m
	87.5	4.267	75	3.200
	85	4.564	75	3.423
	82.5	4.861	75	3.646
	80	5.159	75	3.869

- 6.4 For each 2.5% movement of CTR benefit, Council Tax income shifts by approximately £223k. It is worth noting that this is the Council Tax income figure prior to apportionment over the appropriate precepting percentages. In 2017/18 the prevailing allocation percentages are Oldham Council 87.15%, GMCA for Police Services 9.39% and finally GMCA for Fire Services at 3.46%. Therefore a £223k movement would benefit Oldham Council's available funding by approximately £194k.
- 6.5 The average impact to claimants assuming current caseload numbers of 14,450 claimants remain constant is that for each 2.5% CTR move, a claimant is likely to see a +/-£15.43 adjustment to their CTR benefit depending on whether the CTR scheme is made more or less beneficial.
- 6.6 As a consequence of not including the Housing Benefit changes within the Council Tax Reduction Scheme, this scheme is effectively more generous to its recipients than the Housing Benefit regime.
- 6.7 Under new Housing Benefit changes, claims can now only be backdated for one month whereas under the current CTR scheme, cases can be backdated for up to six months. By not aligning both schemes, current financial forecasts are that approximately £21k will be foregone in Council Tax income in 2017/18 and also in 2018/19. This amount is in addition to the £17k already foregone in 2016/17.
- 6.8 Under new HB changes, the family premium allowance has been removed however the intention is that this allowance will continue to be assumed as part of the deductible allowance when calculating eligibility for the CTR scheme. By still considering this now obsolete allowance for CTR purposes, current financial

forecasts suggest a further £108k will be foregone in Council Tax income in 2017/18 and 2018/19. This amount is in addition to the £112k already foregone in 2016/17.

- 6.9 Further HB amendments such as the impact of a third child being born into a family will again have an impact on the levels of Council Tax foregone, if the CTR scheme is not aligned. There are difficulties in quantifying the financial impact of this adjustment given that the information required would be an informed estimation of the percentage of families in Oldham likely to be affected and that information is currently not considered sufficiently robust for an accurate estimate to be made.
- 6.10 Further decisions regarding the allocation of temporary absence, disregarded bereavement support and postgraduate loan claimants are deemed immaterial from a financial perspective given the very limited numbers of cases within these fields estimated to amount for less than £10k cumulatively.
- 6.11 However, as set out in paragraph 2.2 of this report, the collection rate is on an upward trajectory and expected to achieve somewhere in the region of 75-80%. This level of collection in addition to the growing Council Tax tax base is deemed sufficient enough to meet the 2018/19 budgeted Council Tax Income requirements of £86.953m as included in the current Medium Term Financial Strategy. Clearly, the ability to generate more than the currently anticipated amount would reduce the Councils budget reduction requirement. (John Hoskins)

7 Legal Services Comments

- 7.1 The legislation states that each year an authority must give consideration to whether to revise its council tax reduction scheme.
- 7.2 The revision of a scheme is a decision that the legislation reserves to full council. Any revision to apply to the scheme for the following year must be made by 31st January.
- 7.3 No revision of a scheme can occur unless the authority has, in the following order:
1) Consulted with major precepting authorities (fire and police)
2) Published a draft proposed scheme
3) Consulted with others likely to have an interest in the scheme
- 7.4 In order to discharge its duties under the Equality Act 2010 the authority will need to consider the effects of proposals on people with a protected characteristic as defined by the act, which as can be done by way of an equality impact assessment as happened before the present scheme was made. (Alex Bougatef)

8. Co-operative Agenda

- 8.1 The approval of support for residents who are of working age and on low incomes is consistent with and embraces the principles of the co-operative agenda.

9 Human Resources Comments

- 9.1 N/R

10 Risk Assessments

10.1 There are a number of risks to be managed in this process:

- Ensuring the revised scheme is not subject to a legal challenge on the basis of equality legislation
- Developing a scheme which is both fair and affordable to the Council particularly as it will only be based upon limited collection rates information early in the financial year
- Linking in Council Tax Collection Processes to the Council's Corporate Fair Debt Policy (Mark Stenson)

11 IT Implications

11.1 None

12 Property Implications

12.1 None

13 Procurement Implications

13.1 None

14 Environmental and Health & Safety Implications

14.1 None

15 Equality, community cohesion and crime implications

15.1 Work has been carried out to understand the impact of the current scheme on protected groups in Oldham.

16 Equality Impact Assessment Completed?

16.1 A Stage 1 Equalities Impact Assessment has been completed to cover the impact of maintaining the existing scheme for 2018/19. This is included at Appendix 1. No further action is required. (Dominic Coleman)

17 Key Decision

17.1 Yes

18 Key Decision Reference

18.1 CFHR-09-17.

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act

1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background Papers are included at Appendix 1
Officer Name: Caroline Lee
Contact No: 4905

20 **Appendices**

20.1 Appendix 1 - Equality Impact Assessment Tool – Initial Screening