

Briefing report for the Scrutiny Committee – Council Tax Reduction Scheme (CTRS)

History of the CTRS

The Council introduced a CTRS on the 1/4/13 when the Government phased out the prevailing Council Tax Benefit Scheme (administered by the Dept. of Work & Pensions).

The Government's rationale was twofold; to reduce the level of benefit paid to working age claimants and to provide for a scheme to encourage more people into work. The overall level of funding was reduced by 10% - this amounted to circa £5.1m in 2012/13 – so a £510k cut. This new scheme would only impact working age claimants (i.e. pensioners would be protected).

This new scheme saw a significant amount of joint working across the Devon Councils in order to produce a scheme that was broadly consistent across the County. All of the Councils agreed they wanted to introduce a cost neutral scheme.

As part of the new scheme design all Councils had to consult with residents who would be affected by it. Mid Devon wrote to all of recipients of the existing CTB scheme in order to inform them of the proposed new scheme's criteria.

Running in parallel with this process the Housing Benefits Manager and Director of Finance, Assets & Resources ran a number of member briefings for both District Council Members and the local Town and Parishes.

The scheme that was finally introduced in April 2013 was agreed by the Cabinet in December 2012 (copy attached to briefing report) and is based on the following criteria and was estimated to affect circa 2,600 of our existing CTB claimants (working age):

- 1 - Everyone should pay something. All working age claimants will be required to pay a contribution towards their Council tax. This will restrict the level of support to 80% - i.e. the claimant will be required to pay 20% of their Council Tax charge.
- 2 - Limit the amount of Council tax support to a Band D charge. This change will affect 97 customers.
- 3 - Reduce the savings limit from £16,000 to £8,000. This change will affect 47 customers.
- 4 - Stop Second Adult Rebate. This will affect 18 customers.
- 5 - Additional support for exceptional cases of hardship.

This is a discretionary payment that will be used in exceptional cases to protect the most vulnerable customers and is included in the Council Tax and Business Rates discretionary relief framework.

Other Welfare Issues

Members should also be reminded that during the 5 years since the CTRS has been introduced a number of other welfare changes have been introduced and will have impacted upon residents in the Mid Devon area. For example (and this is not an exhaustive list):

Social sector size reductions, Benefit Cap, Welfare Assistance Cap, Local Housing Allowance, Universal Credit, etc.

2017/18

The CTRS has had a few changes since its introduction in April 2013. The most recently amended scheme was taken through Cabinet in November 2016 and is attached to this report.

For Members information as at the 24/2/18 we had 1,942 (working age) claimants of CTRS who were receiving £1,578,536 in CTR – i.e. circa £813 per claimant. In addition to this we had 29 Exceptional Hardship claims. With regard to helping residents who have been or are being impacted by the CTRS officers in both Revenues and our Housing Benefit Teams will refer individuals to our EH policy (again attached to this briefing paper) and will work with them to establish their ability to pay the reduced level of Council Tax levied and will offer payment arrangements that may be more suited to their financial situation.

In addition Members will also be aware of our ongoing contract with Wisermoney who offer financial advice and signposting help to all residents who engage with them. This can help residents maximise any wider benefit entitlement and offer help with financial planning/control with items such as utility bills and card payments.

Andrew Jarrett – Director of Finance, Assets & Resources