

**Bracknell Forest Council  
Record of Decision**

<b>Work Programme Reference</b>	
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1. **TITLE:** Council Tax Reduction Scheme
2. **SERVICE AREA:** Adult Social Care, Health & Housing
3. **PURPOSE OF DECISION**

To consider proposals to change the existing Council Tax Reduction Scheme for 2016/17.

4. **IS KEY DECISION** Yes
5. **DECISION MADE BY:** Executive
6. **DECISION:**

That the Executive agree to make the following changes to the Council's Local Council Tax Benefit Scheme:

- i. That all working age households will pay at least 20% of their Council Tax liability, the maximum discount will be 80% of Council Tax liability.
- ii. That for working age household's child maintenance payments are taken into account when assessing income to calculate the Local Council Tax reduction.
- iii. That when calculating income for working age self employed people it will be assumed that after 12 months the self employed person is earning national living wage.
- iv. That all the income disregards for working people will be increased by £5 a week.
- v. That the hardship fund is increased to £20,000 and the criteria for support is amended to include those who had received a reduction in the previous twelve months and face financial hardship due to the proposed changes.
- vi. As a consequence of the above recommendations the Local Council Tax Benefit Summary Scheme at Appendix A of the Director of Adult Social Care, Health and Housing and Borough Treasurer's report is agreed.
- vii. The detailed scheme operation to be delegated to the Director of Adult Social Care, Health and Housing to finalise.
- viii. The Local Council Tax Benefit Scheme is referred to Council on the 20th January for adoption.
- ix. That the Local Council Tax Benefit Scheme will be reviewed on an annual basis.

7. **REASON FOR DECISION**

The recommendations in this report support the Council's 2015 – 2019 plan and specifically the objective to achieve value for money. The objective is measured by the Council charging appropriately for services and seeking opportunities to generate additional income.

8. **ALTERNATIVE OPTIONS CONSIDERED**

The Council could continue with the existing Local Council Tax Reduction Scheme. However, there are a number of reasons why continuing with the existing scheme has been discounted. Firstly, there are anomalies in the existing scheme in terms of income calculations. As explained below it is considered unfair that household receiving child maintenance has that income ignored when calculating the Council Tax discount. Secondly, there is evidence that some households may be understating their earned income when self employed. Nevertheless, the Council wishes to incentivise work and to that end it is offering additional disregard of earned income. Lastly, in the context of the Council's reduced spending capacity over the next four years it is necessary to require customers of the scheme to pay more towards their council tax thus reducing the cost of the scheme.

As part of the consultation process respondents were asked whether they thought the Council should balance the amount spent on the Local Council Tax benefit compared to what it spends on other services. The responses found that 41% agreed that there should be a balance between the amount spent on the Local Council tax reduction scheme and what the Council spends on other services. The Supreme Court decision October 2014 concerning Haringey Borough Council found that they failed to recognise the other options available to the Council in funding their council tax reduction scheme other than introducing changes that reduced the support that the scheme provided. Although, some of the recommended changes to the scheme in this report will reduce household's council tax reduction some aim at addressing existing anomalies in the scheme

- 9. **PRINCIPAL GROUPS CONSULTED:** Residents and participating authorities
- 10. **DOCUMENT CONSIDERED:** Report of the Director of Adult Social Care, Health & Housing
- 11. **DECLARED CONFLICTS OF INTEREST:** None

Date Decision Made	Final Day of Call-in Period
15 December 2015	23 December 2015