

Council

11 December 2014

Agenda Item 52

Brighton & Hove City Council

Subject: Council Tax Reduction Review - Extract from the Proceedings of the Policy & Resources Committee meeting held on 4 December 2014

Date of Meeting: 11 December 2014

Report of: Monitoring Officer

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Wards Affected: All

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

To receive the item referred from the Policy & Resources Committee for approval:

Recommendation:

That Policy & Resources Committee recommends to Council that:

- (1) That the changes set out in section 3.17 are made to The Council Tax Reduction Scheme (Persons who are not Pensioners) (Brighton & Hove City Council) 2013 to take effect from 1st April 2015; and
- (2) Council note the consequence of the decision in (1) above will mean the option to generate £1.7million through a more widely revised scheme included within the savings proposals elsewhere on this agenda cannot form part of the package for setting the 2015/16 budget and therefore alternative savings proposals will need to be identified. There is no further opportunity to revisit this scheme to support setting the 2015/16 budget.

BRIGHTON & HOVE CITY COUNCIL**POLICY & RESOURCES COMMITTEE****4.00pm 4 DECEMBER 2014****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

Present: Councillor J Kitcat (Chair) Councillors Sykes (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Lepper, A Norman, Peltzer Dunn, Randall, Robins and Shanks

PART ONE

91 COUNCIL TAX REDUCTION REVIEW

- 91.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to the Council Tax Reduction Review. The Council had introduced a local Council Tax Reduction (CTR) scheme from April 2013 as a result of national changes localising the previous Council Tax Benefits system. Under legislation the CTR scheme had to be reviewed each year, and the report set out this review and the resulting recommendations. The report proposed no change to the existing 8.5% level, but gave options for other variants.
- 91.2 Councillor Sykes thanked Officers for the report, and also those that had contributed to the consultation. He referenced the proposed amendment from the Labour & Co-Operative Group and stated that it would increase inequality within the city, and impact on some of the poorest residents. He stated that maintaining the current level of Council Tax would prevent additional costs for the Council in other areas caused by increasing the Council Tax burden.
- 91.3 Councillor Morgan proposed the amendment on behalf of the Labour & Co-Operative Group and stated that the amendment was a response to the decision of Central Government to give responsibility for this area to Local Government without sufficient funds to undertake it. The amendment would provide a small and affordable amount, and still keep the authority in the top 12 of unitary authorities nationally in terms of support to low income families. The amendment would also provide additional support for disabled people and those that were carers, and the scheme would one of the subjects of the 'fairness commission' that a future Labour administration would set up. Councillor Morgan added that there should have been greater discussion around this issue with Opposition Parties to gain greater cross-party support.
- 91.4 Councillor Robins seconded the amendment.
- 91.5 The Chair noted his disagreement with the points raised by Councillor Morgan, and highlighted that CTR Scheme had to be set this month – ahead of the formal budget. It was the view of the Administration that the burden should not be placed on the poorest, and the proposed 5.9% increase to Council Tax was considered to be the most progressive approach in terms of the increasingly difficult financial position.
- 91.6 Councillor Robins added that the very poorest in the city could often be individuals that worked full time, and an increase above the threshold in Council Tax would have an impact on them.
- 91.7 In response to Councillor A. Norman the Executive Director for Finance & Resources explained that there were options around limiting the award of CTR by Council Tax

band, but it was felt this would be unworkable given the profile of houses in the city, and instead having a minimum contribution was the preferred option. There had also been no feedback to change the construction of the scheme.

91.8 Councillor Randall stated that he shared the concerns expressed by Councillor Robins in relation to the working poor. He noted that 172 employers in the city were now signed up to pay the 'living wage', and he hoped to begin another drive to increase these numbers.

91.9 The Chair then put the proposed amendment from the Labour & Co-Operative Group to the vote. The amendment was **not carried**.

91.10 The Chair then put the substantive recommendations to the vote.

91.11 **RESOLVED:** That the Committee:

- (1) Note that the council undertook informal and formal consultation as a part of this review and that as a part of the formal consultation a draft scheme was published and people were invited to give their views on that draft scheme;
- (2) Note the outcome of that consultation as set out in section 5 of the report;
- (3) Note that an Equality Impact Assessment (EIA) has been undertaken on the proposed changes in the draft scheme (appendix 1) which has been summarised in section 7 of the report;
- (4) Notes that the Executive Director Finance & Resources will, prior to 1st April 2015, exercise her delegated powers to increase the appropriate calculative elements of the scheme, to give effect to national changes; and

RESOLVED TO RECOMMEND:

- (5) That Policy & Resources Committee recommends to Council that:
 - (a) That the changes set out in section 3.17 are made to The Council Tax Reduction Scheme (Persons who are not Pensioners) (Brighton & Hove City Council) 2013 to take effect from 1st April 2015; and
 - (b) Council note the consequence of the decision in 5 (a) above will mean the option to generate £1.7million through a more widely revised scheme included within the savings proposals elsewhere on this agenda cannot form part of the package for setting the 2015/16 budget and therefore alternative savings proposals will need to be identified. There is no further opportunity to revisit this scheme to support setting the 2015/16 budget.

