

**Report to:** Council

**Date of Meeting:** 16 December 2015

**Report Title:** Council Tax Support Scheme

**Report By:** Peter Grace  
Assistant Director – Financial Services and Revenues

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### **Purpose of Report**

To obtain approval from Council that no changes will be made to the existing Council Tax Support Scheme for 2016/17.

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### **Recommendation(s)**

- 1. To recommend, that for Working Age customers, for 2016/17, Hastings Borough Council will not make any changes to the existing Council Tax Support Scheme**
- 2. To recommend that Hastings Borough Council adopts the Exceptional Hardship Policy**
- 3. To authorise the Assistant Director - Financial Services and Revenues to uprate allowances and premiums, as required, when announced by the Government and any relevant changes to the Prescribed Regulations**

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### **Reasons for Recommendations**

The local authority is required to approve a scheme for the provision of council tax support in respect of 2016/17, by January 2016.

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## Introduction

1. On 2 November 2015, a report was presented to Cabinet which set out the proposal for changes to the Council Tax Support Scheme in respect of 2016/17. Please see the attached for ease of reference (Appendix 1)
2. There were three recommendations to be considered for recommendation to Full Council, which were as follows:

To recommend that, for Working Age customers, Hastings Borough Council will adopt the Council Support Scheme as set out in the report

To recommend that Hastings Borough Council adopts the proposed Exceptional Hardship Policy as set out in the report

To authorise the Assistant Director - Financial Services and Revenues to update allowances and premiums, as required, when announced by the Government and any relevant changes to the Prescribed Regulations

3. At the meeting, it was agreed to recommend that we adopt the Exceptional Hardship Policy and that the Assistant Director - Financial Services and Revenues is authorised to make legislative changes as required.
4. With regards to the revised Council Tax Support Scheme, it was agreed that the council would not accept a minimum charge of 10%, 15% or 20% nor the proposed capital changes. However, no agreement was reached on the recommendation to introduce a minimum income floor for self-employed customers which would assume an income based on a 35 hour week at the national minimum wage.
5. Members were given until 13 November 2015 to provide further feedback on the proposed scheme.

### **Self-Employed (Minimum Income Floor)**

6. In the meantime, the Revenues and Benefits Service Manager undertook an in-depth analysis of existing self-employed customers.
7. Of the 493 current self-employed customers, 46% are female with 54%, male.
8. 51 customers are declaring nil income from their self-employed business.
9. 90% of the businesses have been running for at least two years. The earliest start date is 2008.
10. 90% of self-employed customers are in receipt of working tax credit and/or child tax credit and rely heavily on this income.
11. Only 10 of the existing customers are declaring an income in excess of the proposed minimum income floor.

12. In the majority of cases, the average weekly loss to the customer would be in the region of £20.

### **Conclusion**

13. Having reviewed a selection of the existing cases, it is clear that one size does not fit all when dealing with self-employed claims and it would be administratively time and resource consuming to apply the minimum income floor from next April.

14. However, it would be appropriate to review all self-employed cases during 2016/17. This would give a clearer picture of the impact a change to the way we deal with self-employed income would have to the overall cost of the scheme. We would then be able to make a better informed decision if we were to consider this option in future years.

15. Therefore, taking into consideration the above, it is recommended that for 2016/17, Hastings Borough Council retains the existing Council Tax Support Scheme.

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### **Wards Affected**

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

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### **Policy Implications**

Please identify if this report contains any implications for the following:

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|---------------------------------------|-----|
| Equalities and Community Cohesiveness | Yes |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | No  |
| Environmental Issues                  | No  |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People's Views                  | Yes |
| Anti-Poverty                          | Yes |

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### **Additional Information**

Appendix 1 - Cabinet Report dated 2 November 2015  
Appendix 2 - Scheme Document

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### **Officer to Contact**

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