

## Original recommendations for changes and the supporting rationale from the Welfare Reform Group

Recommendations for Council Tax Support Scheme	Rationale/Comments
<p>Increase the minimum amount of council tax that working age people pay from 10% (90% discount) to 15% (85% discount) for 2018/19 and to hold the minimum contribution at this level for 2019/20.</p>	<p>The minimum contribution for Rushmoor's CTSS is currently at the lower end of the rates set by other authorities within its audit family. This change would still mean that the scheme sits at the lowest end of that group where minimum contributions have been introduced. Collection rates are holding up well, meaning that recipients are finding ways to pay their minimum contribution and 85% would still be a significant discount to be awarded to a section of the Borough's residents. In addition, the Council continues to hold an exceptional hardship fund to assist those having most difficulty in meeting their obligations.</p> <p>The consultation responses showed significant disagreement with increasing the minimum contribution to 18%, 20% or 25% (ranging between 71.8% and 75.7% disagree/strongly disagree). The responses were closer for both 12% and 15% with a 56.5% 'for' and 43.5% 'against' for 12% and a 42.4%/57.6% split for 15%.</p> <p>There was strong disagreement within the WRG over this recommendation with the minority view being to put forward no increase in the minimum contribution due to the difficulties faced by residents as they saw it, due to current economic conditions and the reported use of food banks, for example.</p> <p>The consultation document included an opportunity to comment on whether the minimum amount should be higher or lower. There were 142 comments made. The main themes of the comments (those mentioned more than five times) were as follows:</p> <ul style="list-style-type: none"> <li>• 10% or leave it as it is (mentioned 53 times)</li> <li>• People are struggling/this will cause hardship to the poorest (mentioned 20 times)</li> <li>• Lower (mentioned 9 times)</li> <li>• 12% (mentioned 9 times)</li> <li>• 0% (mentioned 7 times)</li> <li>• Unhappy about subsidising people (mentioned 7 times)</li> <li>• 50% (mentioned 6 times)</li> </ul> <p>For each of the above, the comments made represent a small proportion compared to the overall number of consultation responses received.</p> <p>The majority view of the group was that 15% would be affordable, especially given the safety net of the hardship</p>

## APPENDIX 2

	<p>fund. Furthermore, maintaining the level for 2019/20 would provide time for in-depth analysis of the effect of the rise in contribution to be measured and monitored by the WRG.</p>
<p>To exclude the new bereavement support payment when calculating council tax support.</p>	<p>The Group was unanimous in its recommendation that the new Bereavement Support Payment be disregarded as income within the Council's CTSS. This means that any recipient of CTS, who is also receiving a Bereavement Support Payment, will not have that payment counted as income when their CTS is calculated, thereby allowing that Bereavement Support to be used for its intended purposes and not reducing the amount of CTS support that they might receive.</p> <p>The Group has always been keen to maintain a principle of harmonising the Council's local CTSS with national government changes to the wider Housing Benefit scheme and this recommendation is in line with that principle, making it easier to administer and for claimants to understand.</p> <p>This change was supported by 80.2% of valid responses to this question while 19.8% disagreed.</p>
<p>To limit the number of dependent children to two when calculating council tax support.</p>	<p>Again, this technical change brings the scheme into line with Housing Benefit, making it easier to administer and for claimants to understand.</p> <p>This change was supported by 76.8% of the valid responses to this question while 23.2% disagreed.</p> <p>While there was some concern expressed by members of the Group about the potential impact of this change on claimants, the Group were unanimous in recommending this harmonisation change, in part due to the protection afforded to existing claimants who already have more than two children.</p>

<b>Recommendations for Council Tax Discounts</b>	<b>Rationale/Comments</b>
<p>To award 50% discount for six months for homes that are having major repairs or structural alterations done to them.</p>	<p>The Group were unanimous in their recommendation to change the discount for empty homes that are undergoing major repairs or structural alterations, from the current 50% discount for 12 months to 50% discount for 6 months.</p> <p>The rationale for reducing the period of discount for homes undergoing major repair work is to encourage those works to be conducted in a timely manner, thereby bringing the property back in to use sooner. This is balanced against the needs of the taxpayer by not slowing down repair work by having an added financial burden of paying for Council Tax while paying for major repairs on a property that is not habitable.</p> <p>The majority of respondents disagreed with all options other than 50% discount for 6 months, which was supported by 59.8% of valid responses.</p>

<p>To award 100% discount for two months for homes that are unoccupied and unfurnished</p>	<p>The Group was again unanimous in its recommendation that the discount be changed from the current 100% discount for three months to 100% discount for two months.</p> <p>The rationale for this change is to continue to allow sufficient flexibility within the Council Tax regime for small and large-scale landlords to manage short-term voids without having to pick up short-term costs whilst preparing accommodation for new tenants and the associated administration that this would require. It was felt that two months would still be sufficient for these purposes and would continue to provide sufficient incentive for Council Tax Payers to report a change of circumstances i.e. when a property becomes empty.</p> <p>It is important for the Council to track the commencement of a period of un-occupation, not only to ensure the correct discount is awarded in the short-term but also to have a starting point to track empty properties over a longer time period as long-term empty properties are subject to a premium charge. The number of long-term empty properties also affects the level of New Homes Bonus to which the Council is entitled. Therefore, it is of benefit to provide an incentive to the Tax Payer to notify the Council when a property becomes vacant.</p> <p>The Group considered whether moving to one month's discount would be appropriate but settled on two months with a review during the year. The Group felt it would be of particular interest to hear from local Registered Social Landlords such as Vivid in order to monitor the effects of the change and to consider whether changing to 100% discount for one month would be a viable option for 2019/20. This will be arranged for one of their meetings during the 2018/19 municipal year. (There were no direct approaches from local RSLs in response to the consultation although individuals may have submitted responses without explicitly stating that this was on behalf of an RSL).</p> <p>There was no majority support for any of the options in the consultation on this matter, including the current discount arrangements. Maintaining the current arrangements had the highest level of disagreement at 67.6%, which does provide some mandate for change.</p>
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