



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

MONDAY 15TH FEBRUARY 2021, AT 6.00 P.M.

MICROSOFT TEAMS - VIRTUAL

SUPPLEMENTARY DOCUMENTATION

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

5. Medium Term Financial Plan 2021/22 to 2024/25 (including the Capital Programme) - Pre-Scrutiny (Pages 1 - 26)

(Report to follow).

6. Council Tax Support Scheme (Pages 27 - 42)

(Report to follow).

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

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MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester
Report Author	Name: Kate Goldey Job Title: Senior Business support accounting technician Contact email: k.goldey@bromsgroveandredditch.gov.uk Contact Tel: 01527 881208
Wards Affected	none
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Cabinet RECOMMEND that Full Council: -

1) Approve the Unavoidable costs as attached at Appendix 1:

**2021/22 £524k
2022/23 £340k
2023/24 £409k**

2) Approve the Revenue Bids as attached at Appendix 2:

**2021/22 £65k
2022/23 £48k
2023/24 £25k**

3) Approve the Identified Savings as attached at Appendix 3:

**2021/22 £426k
2022/23 £474k
2023/24 £405k**

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- 4) Approve the General Fund Capital Programme bids as attached at Appendix 4:

2021/22 £578k
2022/23 £1.123m
2023/24 £1.018m

- 5) Approve the General Fund capital programme at Appendix 5:

2021/22 £13.323m
2022/23 £4.867m
2023/24 £2.906m

- 6) Approve the net general fund revenue budget.

2021/22 £11.988m
2022/23 £11.673m
2023/24 £11.683m

- 7) Approval the increase of the Council Tax per Band D @ £5 for 2021/22.

- 8) Approve the transfer to Balances of £22k for 2020/21.

2. **BACKGROUND**

To enable members to consider the Medium-Term Financial Plan for the period 2021/22 – 2023/24 to include General Fund Revenue and Capital together with the budget proposals. The report includes recommendations to Council to enable a balanced budget to be set for 2021/22 and the proposed Council Tax for 2021/22. In addition, members are asked to note the position for future years 2022/23-2023/24. The recommendations will then be presented to Council on

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22nd February 2021 together with the resolutions once we have received all the precepting bodies Council Tax calculations.

3. FINANCIAL IMPLICATIONS

- 3.1 The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made. This year a 3-year plan is proposed to 2023/24. The plan addresses how the Council will provide financial funding to the Strategic Purposes and ensure residents receive quality services to meet their needs in the future. The Purposes that drive the financial considerations are:

- Run and grow a successful business
- Work and financial independence
- Living independent, active & healthy lives
- Affordable and sustainable homes
- Communities which are safe, well maintained, and green

- 3.2 Members and officers have reviewed the services provided by the Council over the last 6 months to consider the levels of funding available to the Council and identified where potential savings can be made or additional income generated.

- 3.3 In addition, a financial framework was approved to enable an overarching strategy to be in place to support the future financial position of the Council. Considering the financial pressures, the Council faces the strategy aims to provide a framework in which the Council can become financially sustainable whilst delivering the priorities to our communities. The key objectives are:

- To ensure resources are directed to the council's strategic purposes
- To set financially sustainable budgets over the 3-year period
- To maintain balances at £2m to ensure funds are available for future projects and to mitigate threats.
- To maximise income opportunities whilst supporting the vulnerable
- Identify and disinvest in non-priority areas

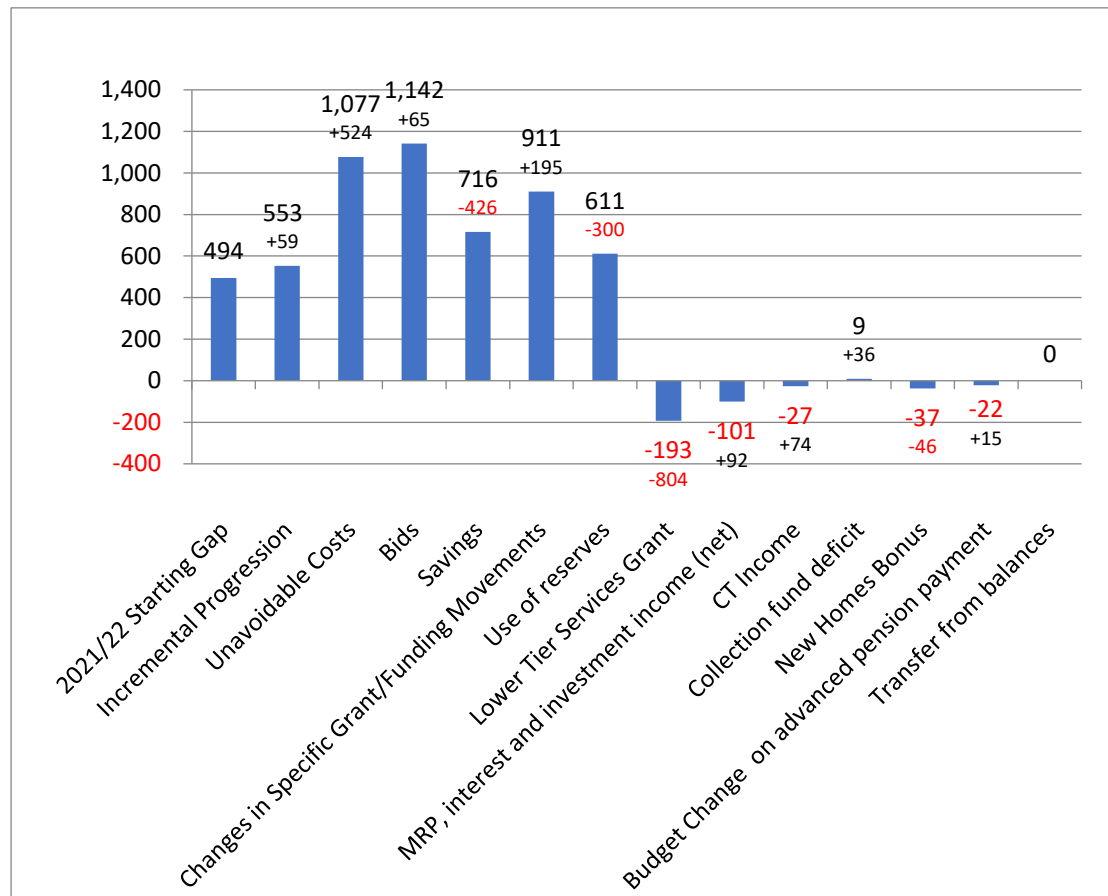
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- To ensure all savings are achievable and developed with robust data
 - To reduce overheads & direct costs over the 3-year period
 - To maximise use of assets and disinvest surplus or non-performing assets
 - To further develop the commercial culture within the Council
 - To consider and adapt to the uncertain future financial climate
 - To work with the public, members and staff to engage and inform partners on the impact of the financial pressures of the Council
- 3.4 When reviewing the budget projections officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next 3 years.
- 3.5 Over the last 12 months the Finance and Budget working group, as established by the Overview and Scrutiny Board has met on a regular basis to review costs, fees and charges and the capital programme and have made a number of recommendations to Cabinet.
- 3.6 Officers have factored in a number of assumptions into the Medium-Term Financial Plan to update it in line with revised calculations and information from officers and Government.
- 3.7 The table below demonstrates the changes in the financial projections and budget gap for 2021/22 based on the original estimation of a £494k gap as presented in February 2020. Following the table there are explanations of the reasons for the changes resulting in an achieved balanced budget for 2021/22.

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Incremental progression (£559k)

- 3.8 One of the pressures to the budget is general inflation on utility costs along with additional costs in relation to pay. The additional costs relating to pay inflation are above that initially forecast. The original budget included 1% pay award however the final agreed pay award was 2.75% for 2020/21 which is therefore included in the estimated future position above.

Unavoidable Costs (£524k)

- 3.9 When proposing the budget officers have also identified several budget pressures that have been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2020/21 together with any issues that have been raised as fundamental to maintaining service provision as part of the budget process. In addition, income

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shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. The pressures and income shortfalls are identified at Appendix 1.

Bids (£65k)

- 3.10 In addition to the unavoidable pressure's revenue bids have been identified and included at Appendix 2. Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies.

Identified Savings/additional income (£426k)

- 3.11 Identified savings and additional income are detailed at Appendix 3. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating.

Changes in Specific Grant/Funding Movements (£195k)

- 3.12 An assessment of the council's pension liabilities has seen an increase to the pensions added years payments for this financial year.

3.13 Reserves (£300k)

This figure relates to a number of reserves that are able to be released this financial year as they have been confirmed as no longer being required.

Lower Tier Services Grant (£804k)

- 3.14 The finance settlement in December announced that we are due to receive a new grant called the Lower Tier Services Grant in 2021/22. This grant is intended to compensate those local authorities whose core spending power has not increased as a result of the finance settlement. In Bromsgrove District Councils case the reduction in spending power is due to the expected reduction in New Homes Bonus. Core Spending Power is a measure of the resources available

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to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government finance settlement.

MRP, interest costs and investment income (net) (£92k)

- 3.15 This change is due to a re-profiling of the capital programme to reflect more accurately planned spend which has moved expenditure into future years. There was also a reduction in budgeted spend at outturn for 2019/20 which has moved MRP and borrowing costs into future years. The investment income has also been revised to take account of the actual spend this financial year, 2020/21

Council Tax (£74k)

- 3.16 As part of the Financial Settlement the Council is allowed to increase Council Tax by up to 2% or £5 whichever is higher without the need for a referendum. This is less than the previous assumptions of 2.99% and therefore there is a projected loss of income for 2021/22 – 2023/24. The current projections include A £5 increase for 2021/22 and the demand on the collection fund to meet the Council's own needs will be £8.640m. The Council Tax relating to the Councils services will rise from £228 to £233 for band D properties.
- 3.17 In addition the Council pay a parish precept estimated at £944k which is funded from Council tax income from the specific parish area. These will form part of the resolutions to Council on 24th February 2020.

New Homes Bonus (NHB) (£46k)

- 3.18 The amount of NHB for 2021/22 has been confirmed as £656k, which is £46k more than anticipated in the MTFP. This is due to the Government funding an additional year of New Homes Bonus. However, the financial settlement stated this would be for one year only and would not attract future legacy payments.

An assumption has been made that the Community Bid scheme will continue at a level of 25% per annum based on the additional New Homes Bonus payable for the year. For 2020/21 this equates to £12k along with a decision to increase to £80k with the use of the Councils general COVID-19 grant which is available.

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Council Tax Deficit (£36k)

- 3.19 This is the estimated deficit based on the latest 2020/21 collection fund information

NNDR Income – no change

- 3.20 The Council is currently participating in a pan-Worcestershire Business Rates Pool (WBRP) pilot for the 75% Business Rate Retention for 2020-21 financial year. This one-year arrangement is at no detriment to our financial position in comparison to if we had not entered the pool. As part of the Finance Settlement approval was granted for the Council to be a member of a Worcestershire Pool for 2021-22 that also includes the Fire Authority. Again, there is no detriment to the Council in joining this pool and whilst the position for the Council has been projected at a baseline from the current position for future years it is expected that additional growth may be generated which will be reported in the quarterly financial reports. The position in relation to further appeals and resultant uncertainty due to the impact on performance of the Pool remain a concern; this is being managed by the S151 Officer in conjunction with the other treasurers within the Pool.

Future Years

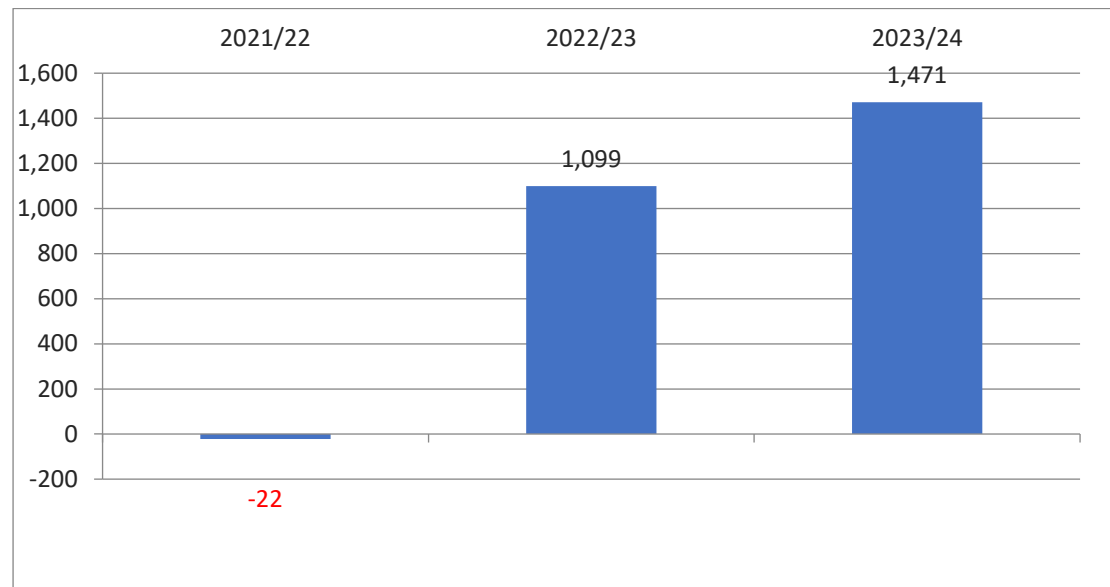
- 3.21 As expected a one-year provisional local government settlement was announced on 17 December 2020 following the October announcement of a one-year Spending Review. The Government will seek to find a new consensus for broader reforms for local government when the post-COVID future is clearer. We can hopefully expect multi-year settlements from 2022-23 but the Government will need to consider the economic circumstances.

In response to the Covid-19 pandemic, the Council received £1.255m Covid-19 Emergency funding and a further 5th tranche of this grant will be paid in 2021/22 of £411k. Officers are working through how to ensure this is allocated in the coming months and into the new financial year to ensure the Council has a robust action plan of recovery.

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3.22 The medium-term financial gap to 2023/24 is as follows:



3.23 Whilst it is important to see the steep improvement in the budget projections for 2021/22, there remain significant savings to be made over the Financial Planning period. There is a need to consider how these savings can be made and it is proposed that officers consider the following areas to present options available to reduce costs and grow income to Members in the Autumn. The areas to consider include:

- Improving income through commercial activities and income from regeneration investments
- Increase in income and reduction in spend on Environmental Services

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General Fund

3.24 The proposed budget is summarised in the table below:

	2021-22	2022-23	2023-24
	£000	£000	£000
Departmental base budget	11,571	11,511	11,325
Incremental Progression/Inflation on Utilities	59	50	74
Unavoidables Pressures	524	340	409
Revenue Bids & Revenue impact of capital bids	65	48	25
Savings and Additional income	-426	-474	-405
Changes in Specific Grant/Funding Movements	195	197	254
Net Revenue Budget Requirement	11,988	11,673	11,682
Financing			
Funding from reserves	-638	-100	0
Lower Tier Services Grant	-804	0	0
Business Rates Net Position	-2,474	-2,510	-2,510
New Homes Bonus	-656	-295	0
Collection Fund Deficit (Council Tax)	36	0	0
Council Tax	-8,665	-8,924	-9,243
Investment Income	-150	-250	-333
Interest Payable	444	527	529
MRP (Principal)	1,025	1,193	1,387
Discount on advanced pension payment	-128	-214	-40
Funding Total	-12,010	-10,573	-10,211
General Balances	2021-22	2022-23	2023-24
	£000	£000	£000
Opening Balances 20/21 (projected)	4,284	4,306	3,206
Contribution (from) / to General Balances	22	-1,099	-1,472
Closing Balances	4,306	3,206	1,735

Collection Fund

3.25 The anticipated collection fund deficit is £263k, which will be distributed amongst the major preceptors using the prescribed formulae. This Councils share of the deficit payable as a one-off sum is £36k.

Precepts

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- 3.26 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 8th February. This will enable the Council to set the Council Tax on 24th February 2021. The precepting bodies Council Tax requirements will be included in the formal resolutions which will also be presented to Cabinet and Council on 24th February.

Capital Programme

- 3.27 The Capital Programme has been considered to propose any new bids required to deliver services to the community. These are included at Appendix 4 with the proposed complete Capital Programme at Appendix 5. The borrowing costs have been factored into the revenue budget for the financial plan. There are detailed business cases available for all capital projects should members wish to consider them further.

4. LEGAL IMPLICATIONS

- 4.1 As part of the budget and the Council Tax approval process, the Council is required by the Local Government Finance Act 1992 to make specific calculations and decisions in approving a balanced budget for the following financial year and setting the Council Tax Level. These will be included in the resolutions and presented to Cabinet and Council on 24th February 2021.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the District and our communities. Our MTFP and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

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- 5.2 The green thread runs through the Council plan. The MTFP has implications on climate change and these will be addressed and reviewed when relevant with the climate change officers to ensure the correct procedures have been followed.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 The impact on the customer has been reduced due to the savings being realised by reduction of waste in the services and ensuring that all service that create value to the customer are resourced.

Operational Implications

- 6.2 The MTFP will enable services to be maintained and, where achievable, improvements to the community.

7. RISK MANAGEMENT

- 7.1 To mitigate the risks associated with the financial pressures facing the Authority regular monitoring reports are presented to both officers and Members to enable proactive action being undertaken to address any areas of concern. Risks include:
- Reductions in government funding leading to a reduction in the level of services delivered to the public
 - Reductions in business rates income as a result of appeals or reduction in the rateable value leading to a lower level of income for the Council.
 - Identification of sufficient and ongoing revenue savings to deliver a balanced budget.
 - Allocation of sufficient resources to meet the needs of service delivery and the Councils priorities.
 - Maintain adequate revenue and capital balances as identified in the MTFP to ensure financial stability.

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The regular financial monitoring by Officers and Cabinet will provide a framework to mitigate the above risks.

Covid-19

Throughout 2020/21 the Council has received a number of Government grants to manage the impact that the pandemic has had on the District and to offset the additional costs and income shortfalls over the last year as well as the distribution of the local business support grants. These have been provided to give financial support to businesses severely impacted by the loss of trade due to national lockdowns we have faced.

It is certain that we will face a continuation of restrictions going into 2021/22. The Council will endeavour to continue to support local businesses although it is difficult to assess when the economy of the District will be back to pre-pandemic levels. With uncertainties in the level of business rate support and relief that will be given to business over the next 12 months it is important for the Council to ensure sufficient funding is in place to provide appropriate financial support.

Brexit

There are a number of areas in which the Brexit deal may affect local government finances however there is no clarity as to what the associated costs will be. Whilst the Brexit deal mitigates a number of the challenges that may have been faced by the changes in legislation, the current economic crisis continues to obscure the situation and therefore the impact of the Country leaving the EU remains still very uncertain. The impact of Brexit is included in the Council's Corporate Risk Register and whilst the uncertainties remain the Council will support businesses and its communities to meet future challenges.

Other Risks:

Risk Management - Chief Financial Officer (CFO) Opinion on the Estimate Process and Reserve Levels.

Section 25 of the Local Government Act 2003 requires the CFO to report to the Council when it is making the statutory calculations required to determine its Council Tax or precept.

Government guidance states, '*The authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. What is required is the professional advice of the CFO on these two questions. Both are connected with matters of risk and uncertainty. They are interdependent and need to be considered together.*'

Section 25: Report of the CFO - Robustness of the Estimates

The Chief Financial Officer's opinion is that the estimates are robust, although there are a number of risks and uncertainties as set out below.

Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff and Management Team prior to submission to Members.

The Council's revenue and capital budgets are 'joined up', both for next year's budget and for the longer term. This means that the full cost of the proposed Capital Programme is reflected in the revenue estimates. Both revenue and capital budgets include the funding needs of the Council.

The main risks in the 2021/22 budget relate to:

- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental risk registers to ensure managers are aware of any variances to budget.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates income. It is difficult to predict the likely income with accuracy. It will be affected by many variables beyond the Council's control, for example, the level of appeals by ratepayers against their rating assessments. The funding mechanism gives a degree of in year protection against volatility but this only defers the impact of variances to future years.

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- Central Government Funding – the MTFP shows income from NHB reducing to zero in 2023/24. The provisional local government finance settlement announced New Homes Bonus Year 11 allocations and legacy payments from Years 8 to 9 giving a total payable to Bromsgrove District Council of £657k in 2021/22. It is expected that a final New Homes Bonus payment will be made the following year in relation to legacy payments for Year 9 and then will cease and this is reflected in the MTFP. There is currently no information about a replacement scheme.

Adequacy of Reserves

- 7.2 The Financial Framework proposed a level of balances at £2m for General Fund activity over the next 3 years. Before the pandemic the Council was in a good financial position with reasonable general fund balances. Since the pandemic the Council has largely been able to mitigate losses through Government funding however the medium- and long-term effect on council tax and business rates is still unknown and it would be prudent to set aside any windfall revenue into reserves to cover any future shortfalls.

The reserves position will allow the Council to be robust and make coordinated plans to address the deficit position.

Taking account of the above, and the level of risk within the budget, the S151 Officer judges that reserves are at an appropriate level throughout the period of the MTFP. This will need to be reviewed if there are any major unplanned calls on reserves, for example, to fund capital expenditure.

8. APPENDICES and BACKGROUND PAPERS

- Appendix 1 - Unavoidable costs
- Appendix 2 - Revenue Bids
- Appendix 3 - Identified savings
- Appendix 4 - Capital bids
- Appendix 5 - Proposed Capital programme

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Geoff Denaro, Portfolio Holder for Finance and Enabling	Various
Lead Director / Head of Service	Chris Forrester, Head of Finance and Customer Services	Various
Financial Services	Chris Forrester, Head of Finance and Customer Services	Various
Legal Services	Claire Felton	Various
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

UNAVOIDABLE PRESSURES - BDC

Appendix 1

Department	Strategic Purpose	Description of Pressure	2021-22 £'000	2022-23 £'000	2023-24 £'000
Building Control	Affordable and sustainable Homes	Under acheived income - partly offset with Sales fees & Charges grant	52	0	0
Corporate Services	Enabling Services	New Homes Bonus - Community funding increase due to additional New Homes Bonus being received 21/20	80	0	0
Environmental Services	Communities which are safe, well maintained and green	Increase in fees from WFDC for NWWM SLA	6	6	6
Environmental Services	Run and Grow a successful Business	Reduced numbers of car parking in the town - partly offset with Sales fees & Charges grant	120	0	0
Environmental Services	Communities which are safe , well maintained & green & Run & grow a successful business	Correction to Disposal budget on Commercial Waste as highlighted in Business Case September 2020	190	250	310
Environmental Services	Communities which are safe , well maintained & green & Run & grow a successful business	Increase of Water budget to reflect increased costs from Severn Trent	45	48	51
Environmental Services	Communities which are safe , well maintained & green & Run & grow a successful business	Funding of Joint Role as part of Joint Herefordshire and Worcestershire Waste Strategy to influence and implement changes to services arising from proposed Environment Bill.	8	8	8
Environmental Services	Communities which are safe , well maintained & green & Run & grow a successful business	Management Restructure - Linked to Saving	10	10	10
Democratic Services	Enabling Services	Members National Insurance	5	5	5
Regulatory Services - BDC	Communities which are safe, well maintained and green	WRS Salary Pressures	8	13	19
TOTAL			524	340	409

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NEW REVENUE BIDS - BDC

Appendix 2

Department	Strategic Purpose	Description of revenue bid	2021-22 £'000	2022-23 £'000	2023-24 £'000
Democratic Services	Enabling Services	Members ICT Training	2	2	2
ICT	Enabling Services	Member Support Officer	22	23	0
ICT	Enabling Services	Corporate GIS support	32	23	23
ICT	Enabling Services	Polygonisation of BLPUs	9	0	0
TOTAL			65	48	25

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SAVINGS & ADDITIONAL INCOME - BDC

Appendix 3

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000
Building Control	Communities which are safe well maintained and green	Car Mileage, print and Professional fees budget savings	-3	0	0
CCTV/Lifeline	Communities which are safe, well maintained and green & Living independent, active & healthy lives.	various amendments overall budgets - reduction of general supplies budgets	-7	-7	-7
Corporate Services	Enabling Services	Grant funding received from MHCLG for loss of sales, fees and charges income due to the pandemic.	-77	0	0
Corporate Services	Enabling Services	Management review savings	0	-125	-125
Corporate Services	Enabling Services	Future Operating Model / Alternative Services Delivery	0	-75	-75
Corporate Services	Enabling Services	New Homes Bonus - Community group funding from General Covid grant received in 2020/21.	-80	0	0
Development Management	Communities which are safe , well maintained & green.	Mileage savings	-1	-1	-1
Elections	Enabling Services	Individual Electoral registrations (IER) Budget savings	-27	-27	-27
Environmental Services	Communities which are safe , well maintained & green.	Additional Income within Trade waste services	-10	-10	-10
Environmental Services	Communities which are safe , well maintained & green.	Repairs and maintenance of vehicles budget savings	-7	-7	-7
Environmental Services	Communities which are safe , well maintained & green.	Fixtures & Fittings budget savings	-2	-2	-2
Environmental Services	Communities which are safe , well maintained & green.	Car Mileage, print and stationary budget savings	-4	-4	-4
Environmental Services	Communities which are safe , well maintained & green.	Vehicle Hire budget savings	-57	-57	-57
Environmental Services	Communities which are safe , well maintained & green.	Garden Waste Income Service Level Agreement	-28	-28	-28
Environmental Services	Communities which are safe , well maintained & green.	New post deferred until 2023/24	-54	-56	0
Equalities	Enabling Services	Reduction in hours on post within the Equalities team	-8	-8	0
Housing GF	Affordable and sustainable home	Various amendments overall budgets - reduction of general supplies budgets	-9	-9	-9
Human Resources	Enabling Services	Salary Savings	-16	-16	-16
Human Resources	Enabling Services	Mileage and Professional fees Savings	-1	-1	-1
ICT	Enabling Services	ICT Savings	-15	-25	-25
Policy	Enabling Services	Savings on payments to other Local Authorities	0	-1	0
Policy	Enabling Services	Reduced hours on post within the policy team	-4	-4	0
Parks and open spaces	Living independent, active & healthy lives	Various amendments on general supplies budgets	-1	-1	-1
Parks Team	Living independent, active & healthy lives	Salary Savings	-3	-3	-3
Sports development	Living independent, active & healthy lives	External funding received to fund part a post in the team	-5	0	0

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Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000
Sports development	Living independent, active & healthy lives	Reduction in general expenditure budget	-5	-5	-5
Sports development	Living independent, active & healthy lives	Reduction in car mileage budgets	-1	-1	-1
TOTAL			-426	-474	-405

CAPITAL BIDS - BDC

Department	Strategic Purpose	Description	Funding Source i.e. Grant, Borrowing, Reserve, S106	2021-22 £'000	2022-23 £'000	2023-24 £'000
Strategic Housing	Living independent, active & healthy lives	BDC Home Repairs Assistance Lifetime Loans	Borrowing	0	50	50
Strategic Housing	Living independent, active & healthy lives	BDC Disabled Facilities Grant	Govt Grant	163	913	913
Strategic Housing	Living independent, active & healthy lives	Energy Efficiency Installation (Bromsgrove Energy Efficiency Fund)	Borrowing	0	110	0
Strategic Housing	Communities which are safe, well-maintained and green	BDC 7kW electric vehicle charge-points	Borrowing & grant £40k	120	0	0
Environmental Services	Communities which are safe, well maintained and green	Purchase of Wheeled Bins for Commercial Waste Service	Borrowing	45	50	55
Planning & Regeneration	Living independent, active & healthy lives	Purchase of New Electric Bus for Town Centre	Borrowing	250	0	0
TOTAL				578	1,123	1,018

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Description	Department	Strategic purposes	Funding detail	2021/22 Total £'000	2022/23 Total £000	2023/24 Total £'000
Home Repairs Assistance	Community & Housing GF Services	Living independent, active & healthy lives	Long Term Debtors	50	50	50
Energy Efficiency Installation	Community & Housing GF Services	Living independent, active & healthy lives	Capital Receipts/Borrowing	0	110	0
Funding for DFGs	Community & Housing GF Services	Living independent, active & healthy lives	Grant income WCC	913	913	913
New Digital Service	Community & Housing GF Services	Communities which are safe, well maintained and green	Borrowing	34	34	34
BDC 7Kw electric vehicle charge points	Community & Housing GF Services	Communities which are safe, well maintained and green	Borrowing	120	0	0
Burcot Lane	Financial & Customer Services	Communities which are safe, well maintained and green	Public works loan board and grant homes england	9,275	0	0
Bus Shelters	Environmental Services	Communities which are safe, well maintained and green	Borrowing	18	18	0
Cemetery Extension infrastructure at at North Bromsgrove Cemetery Phase Two	Environmental Services	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	8	7	0
Fleet Replacement	Environmental Services	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	481	1,591	204
Wheelie Bin Purchase	Environmental Services	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	139	144	55
Regeneration Fund	Financial & Customer Services	Communities which are safe, well maintained and green	Borrowing	2,000	2,000	1,650
Sanders Park Play Area - Replacement for Tripod Swing (Health and Safety)	Planning, Regeneration & Leisure Services	Living independent, active & healthy lives	Borrowing	35	0	0
Electric Bus	Planning, Regeneration & Leisure Services	Living independent, active & healthy lives	Borrowing	250	0	0
				13,323	4,867	2,906

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CHANGES TO THE COUNCIL TAX REDUCTION SCHEME WITH EFFECT FROM 1ST APRIL 2021

Relevant Portfolio Holder	Cllr Geoff Denaro
Portfolio Holder Consulted	Cllr Geoff Denaro
Relevant Head of Service	Chris Forrester
Ward(s) Affected	All wards
Ward Councillor(s) Consulted	
Key Decision /	

1. SUMMARY OF PROPOSALS

- 1.1 Each year the council is required to review its Council Tax Reduction Scheme in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.
- 1.2 Council Tax Reduction (CTR) was introduced from 1 April 2013 when it replaced the central government funded Council Tax Benefit regime. From its inception, the funding available to the council from government has reduced year on year.
- 1.3 As with the majority of authorities within England, the council has changed its scheme each year to for a number of reasons including:
 - Adjust the level of support in line with the funding available from central government; and
 - To aid administration.
- 1.4 This report details the changes and makes recommendation to members for the 2021/22 scheme.

2. RECOMMENDATIONS

- 2.1 **The Cabinet is asked to RECOMMEND** the introduction a new income banded / grid scheme for working age applicants with effect from 1st April 2021 to implement a modern, future proofed scheme and reduce the administrative burden placed on the council by the introduction of Universal Credit

3. KEY ISSUES

Financial Implications

- 3.1 The current Council Tax Reduction scheme costs approximately £4.469m which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in proportion to the share of Council Tax.
- 3.2 The approach and 'shape' of the scheme is changing, and the overall approach will be to provide additional support to those households on the very lowest incomes. There is no intention to reduce the level of support available to other households. Based on current modelling, were the new scheme to be in place at the current time, the costs would be £4.605m.
- 3.3 Financial modelling has been undertaken and will continue to be undertaken throughout the project and this will be particularly important given the effect of the COVID-19 crisis on the incomes of households within the District Council's area.
- 3.4 Whilst the expected costs of the scheme for 2021/22 are slightly higher, the overall level of Council Tax Reduction as a proportion to Council Tax Base has reduced significantly year on year since 2013 as shown below. The overall proposed costs level for 2021/22 is considerably lower in terms of the percentage of the taxbase than when Council Tax Reduction was introduced in 2013.

Tax Year	Maximum % Reduction	Gross Council Tax £000s	Total CTR awarded £000s	CTR as % Gross CTax
2013/14	100	56,471	4,564	8.08
2014/15	100	58,103	4,441	7.64
2015/16	80	59,662	3,896	6.53
2016/17	80	62,371	3,878	6.22
2017/18	80	64,566	3,808	5.90
2018/19	80	68,110	3,831	5.62
2019/20	85	71,847	4,035	5.62
2020/21	85	74,910	4,469	5.97

Legal Implications

3.5 Schedule 1A (3) of the Local Government Finance Act 1992, states:

Before making a scheme, the authority must:

- (a) consult any major precepting authority which has power to issue a precept to it,
- (b) publish a draft scheme in such manner as it thinks fit, and
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

3.6 In addition, in order to set a new scheme, the Council is obliged to make a resolution by 11th March of the year prior to the scheme coming into place.

3.7 The purpose of this report is to recommend that the new scheme be implemented with effect from 1st April 2021

Background / Service Implications

3.8 Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:

- Placed the duty to create a local scheme for **Working Age** applicants with billing authorities.
- Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
- Prescribed that persons of **Pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.

3.9 Since that time, funding for the Council Tax Reduction scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.

3.10 The current Council Tax Reduction scheme administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.

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- 3.11 Pensioners, subject to their income, can receive up to 100 per cent support towards their council tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of CTR can only be made to the working age scheme.
- 3.12 When Council Tax Reduction was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required all working age applicants, even those on the lowest income, to pay a minimum payment of 20%.
- 3.13 Since that time the minimum payment required has reduced to 15% and other slight changes have been made to bring the scheme into line with either Housing Benefit or Universal Credit.

The main issues with the current scheme

- 3.14 There are a number of issues with the current scheme that will need addressing if the system is to continue to provide effective support to low income taxpayers and also if the Council is able to provide the service in an efficient manner. The main issues are as follows:
- The need to assist low income households and assist in the collection of Council Tax
 - The introduction of Universal Credit for working age applicants; and
 - The need for a simplification of the scheme;
- 3.15 Each of the above are examined in detail below.

The need to assist low income households and assist in the collection of Council Tax

- 3.16 Since 2013, the introduction of Council Tax Reduction, the majority of authorities, including the District Council have required all working age applicants to pay a minimum payment. Under the previous scheme (Council Tax Benefit) almost 75% of working age applicants would not have been required to pay any Council Tax and would have received full (100%) support.
- 3.17 As with a large number of authorities, there is a strong view that there should be an increase in the level of support to those households on the lowest of incomes. This view has gained momentum over the past few years but has been reinforced since the COVID-19 crisis which has had a major effect on incomes generally.
- 3.18 Whilst the principle of all working age households paying 'something' was initially thought to be an approach that would be central to the design of Council Tax Reduction, the reality is that, since it's introduction, low income taxpayers, the poorest households, have been unable to pay the balance leading to additional

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costs, court and enforcement action and, in some cases, the amounts demanded have been written off as uncollectable. For information, in 2019 Council Tax of approximately £694,000 has been demanded from working age Council Tax claimants and an amount of £234,000, 33% of the amount demanded is outstanding.

- 3.19 The costs of administration of these cases by the District Council has increased significantly over the years. These costs are borne solely by the District Council. With the difficulties experienced, the relatively low level of payment and the high administration costs incurred, it no longer makes the amounts economically viable to collect. Notwithstanding the negative effects to those poorest households.

Council Tax Reduction and the roll out of Universal Credit

- 3.20 The introduction of Universal Credit within the area has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All Councils have experienced the following:

- The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement;
- A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays and the demonstrable loss in collection; and
- The increased costs of administration through multiple changes with significant additional staff and staff time being needed.

- 3.21 It is clear that the existing means tested Council Tax Reduction scheme, which is too reactive to change, will not be viable in the longer term now that Universal Credit has been rolled out fully within the area and with the massive increase in Universal Credit claimants due to the COVID-19 crisis. The move to a new more efficient scheme from 2021 is now imperative.

The need for a simplified approach to the Council Tax Reduction Scheme.

- 3.22 The existing scheme is based on an 'old fashioned;' means tested benefit scheme. It has major defects namely:
- It is complex for customers to understand and is based on a complex calculation of entitlement;
 - The administration for staff is complex, with staff having to request significant amounts of information from applicants;
 - Staff have to undergo significant training to be proficient in processing claims;
 - The timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications; and
 - The administration of the scheme is costly when compared to other discounts for Council Tax.
- 3.23 Clearly there is a need now to simplify the scheme, not only to mitigate the effects of Universal Credit, but also make it easier for customers to make a claim and to significantly reduce the costs of administration.

The recommended approach for the 2021/22 Council Tax Reduction Scheme

- 3.24 In view of the problems being experienced with the current scheme, it is proposed that an alternative approach be taken from 2021/22. The approach has been to fundamentally redesign the scheme to address all of the issues with the current scheme and in particular;
- (a) The level of support available to the poorest households;
 - (b) The problems with the introduction of full-service Universal Credit; and
 - (c) The significant increase in administration costs due to the high level of changes received in respect of Universal Credit;
- 3.25 Work has been ongoing throughout this year on a new scheme which is now complete. Consultation now needs to be undertaken with the public and the precepting authorities. If accepted by the Council, the new scheme will take effect from 1st April 2021.
- 3.26 The proposed new scheme has a number of features as follows:
- More support shall be given to those households on the lowest of incomes than in the current scheme ;
 - The changes can **only be made to the working age schemes** as the current schemes for pensioners is prescribed by Central Government;
 - The current means - tested schemes will be replaced by a simple income grid model as shown below:

Discount Band	Discount	Single Person	Single person with one child	Single person with two or more children	Couple	Couple with one child	Couple with two or more children
Income Ranges							
Band 1	100%	£0 to £95.00	£0 to £150.00	£0 to £210.00	£0 to £140.00	£0 to £195.00	£0 to £255.00
Band 2	75%	£95.01 to £115.00	£150.01 to £180.00	£210.01 to £240.00	£140.01 to £160.00	£195.01 to £225.00	£255.01 to £285.00
Band 3	50%	£115.01 to £135.00	£180.01 to £210.00	£240.01 – £270.00	£160.01 to £180.00	£225.01 – £255.00	£285.01 to £315.00
Band 4	25%	£135.01 to £155.00	£210.01 to £240.00	£270.01 – £300.00	£180.01 to £200.00	£255.01 to £285.00	£315.01 to £345.00
	0%	Over £155.00	Over £240.00	Over £300.00	Over £200.00	Over £285.00	Over £345.00

- It is proposed that the highest level of discount will be at a maximum level of liability (100%), Band 1, and all current applicants that are in receipt of a 'passported benefit' such as Income Support, Jobseeker's Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount;
- All other discount levels are based on the applicant's (and partner's, where they have one) net income;
- The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants
- There will be no charges made where an applicant had non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters for example remain at home;
- To encourage work, a standard £25 per week disregard will be provided against all earnings This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a childcare disregard (for childcare costs not paid for by Central Government schemes), the income levels in the 'grid scheme' are set at a higher rate;
- Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded;

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- Where any applicant, their partner or dependant child (ren) are disabled, a further disregard of up to £40 will be given, thereby maintaining the current level of support to those with disabilities;
- Carer's Allowance and the Support Component of Employment and Support Allowance will be disregarded;
- Child benefit and Child Maintenance will continue to be disregarded;
- The total disregard on war pensions and war disablement pensions will continue;
- Extended payments will be removed;
- Second Adult Reduction will be removed; and
- Removal of the income taper and introduction of a capital limit of £6,000.

How the new scheme will address the problems with the current Council Tax Reduction

3.27 With the simplicity of the proposed new scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with the increased administration caused by failings in the current scheme and Universal Credit as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the claiming process and, where possible, Council Tax Reduction will be awarded automatically. For Universal Credit applicants any Universal Credit data received from the Department for Work and Pensions (DWP) will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed automatically without the need to request further information from the taxpayer. These changes will have the following distinct advantages namely:
 - (a) **Speed of processing** – all claims will be able to be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays;
 - (b) **Maximising entitlement to every applicant.** As there will no requirement for Universal Credit applicants to apply separately for Council Tax Reduction, and for all other applicants, the claiming process will be simplified significantly. Entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;
 - (c) **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and

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therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate;

- **The income bands are sufficiently wide to avoid constant changes in discount.** The current Council Tax Reduction scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages:
 - Only significant changes in income will affect the level of discount awarded;
 - Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments; and
 - The new scheme is designed to reflect a more modern approach, where any discount changes it will be effective from the day of the change rather than the Monday of the following week;

Transition to the new scheme and the Exceptional Hardship Scheme

- 3.28 The Council must be mindful that any change in scheme or a transition to a new scheme may have result in a change to the entitlement of certain applicants.
- 3.29 Inevitably, with any change in scheme, there will be some winners and losers although the proposed scheme has been designed to protect the most vulnerable. It is proposed that the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support will be given to the applicant.
- 3.30 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The Exceptional Hardship Scheme will form part of the Council Tax Reduction scheme and fall to be paid through the Collection Fund.

Other Options considered

- 3.31 The alternative to introducing a new scheme for Council Tax Reduction from 2021/22 is to leave the existing scheme in place. This would be a short-term option; lead to increasing costs of administration; and in the longer term, significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within the District Council's area.

Rationale and Impact of Proposed Changes

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- 3.32 In preparation for consultation on the proposals to replace the existing Council Tax Reduction Scheme modelling of the changes was completed. The modelling identifies the working age claimants that will be impacted by the changes. It is important to note that only working age applicants will be impacted by the changes as the discount for pensioner claimants will continue to be determined by reference to the national schemes for Council Tax Reduction.
- 3.33 The initial modelling indicated that of the 2,450 working age recipients of Council Tax Reduction 72%, almost 3 quarters, will receive an increase in the amounts of Council Tax reduction that they receive.
- 3.34 Where there is a reduction in the level of support a relative majority of these cases fall within the single person and childless couple client groups. The largest group seeing a reduction in support is the single person household, this is consistent with the general principle that Council Tax Reduction schemes should incentivise work, as this client group is that which is most able to return to employment.
- 3.35 The impact and rationale for each of the changes to the scheme is commented on below:

Increase of maximum support to 100% liability; and further discounts based on the applicant and partner's income.

- 3.36 The modelling of the proposed scheme identified that an increase in support from 85% of Council Tax liability to 100% liability, and the implementation of an income banded scheme would provide additional support to 72% of the CTR recipients.
- 3.37 The claimants seeing a reduction in support will be a minority and these claimants will be within the higher household income groupings.
- 3.38 An exceptional hardship scheme will remain in place, in-line with the current scheme and in appropriate cases the hardship scheme can be utilised to provide a transitional support for these claimants.

Removal of Non-Dependant deductions

- 3.39 Non-Dependant Deductions are applied where there are adult residents – other than the partner or claimant - within a property and they reduce the amount of Council Tax Reduction.
- 3.40 The current scheme's requirement to apply Non-Dependant deductions creates an administrative drag on the assessment of Council Tax Reduction. This slows the speed of assessment and prevents the movement to automate the assessment of Council Tax Reduction.
- 3.41 The removal of non-dependent deductions from CTR will increase the speed of assessment for all claimants and allow the automation of the initial award from receipt of the notification of universal credit.

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- 3.42 The data modelling of the new CTR scheme identified 346 of the 2,512 working age claimants had non-dependants resident within the household. The majority of these cases, 236 in total, have no non-dependant deduction applied as a result of the circumstances of the claimant. The removal of the non-dependant deduction for the remaining 110 cases will provide an average £7.06 increase in CTR, and a cost of £770 per week.

Removal of extended payments

- 3.43 Extended payments were a feature of the legacy Council Tax Benefit scheme. The payments were provided when a claimant moves from benefits into employment and were intended to smooth the transition into employment.
- 3.44 The introduction of universal credit and assessment of entitlement on a month to month basis has reduces the requirement to provide extended payments as universal credit is designed to integrate more smoothly with employment and changes to income.
- 3.45 The structure of the proposed banded reduction scheme provides a transparent assessment process for claimants and further reduces the requirement for extended payments to continue. As claimants increase their working hours, or return to employment the impact of their increased earnings on their CTR will be evident.

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Removal of the Income Taper and introduction of a capital limit of £6,000

- 3.46 The current CTR scheme applies a capital limit of £6,000; where a claimant has over £6,000 in capital a tariff income is applied to assume income of £1.00 per week for every £250 in capital up to £16,000 at which point eligibility for CTR is removed.
- 3.47 The use of tariff income requires the service to obtain evidence of a claimants capital and to periodically review the level of capital for these claimants. This creates an administrative drag on the initial assessment of support and a further burden in the requirement to carry out reviews on income.
- 3.48 The removal of tariff income and introduction of £6,000 capital limit will remove the administrative requirement.
- 3.49 Modelling of the scheme identified 25 applicants estimated to be impacted by the reduction in Capital Limits, with an average Council Tax Reduction of £14.00 per week. The scheme will include an exceptional hardship provision and capacity will exist within the fund to provide transitional protection to customers losing support due to the removal of the tariff income and introduction of the £6,000 capital limit.
- 3.50 It is important to note that the changes to the income taper and capital limits will only impact working age claimants. Pensioners who have accrued savings to meet their needs in retirement will continue to have their eligibility for discount determined by national rules.

Retention of disregards for:

- Carer's Allowance and Support Component of Employment Support Allowance
- Disability Benefits such as Disability Living Allowance and Personal Independence Allowance
- Child Benefit and Child Maintenance
- War Pensions and War Disablement Pensions

- 3.51 The identified disregards will be maintained within the proposed scheme and maintain the protections that these groups enjoy within the current CTR Scheme

CONSULTATION AND COMMUNICATION

- 3.52 As required by the legislation, the Council has consulted with both major preceptors and also the public. In the case of the public consultation, a full consultation was undertaken until 9th November 2020.

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Major Preceptors

- 3.53 All major preceptors were requested for their views on the recommended new scheme. The Council received the responses shown in Appendix 3

Public Consultation

- 3.54 The public consultation produced 55 responses full details are provided in Appendix 2.

- 3.55 The Council suggested 11 options for changes and the overall responses were as follows:

Option 1 – The introduction of an income banded scheme to replace the current scheme for all applicants of working age

Yes: 47.83%, No: 26.09%, Don't Know: 26.08%

Option 2 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two for all applicants

Yes: 60.87%, No: 30.43%, Don't Know: 8.70%

Option 3 – To remove non-dependant deductions from the scheme

Yes: 47.83%, No: 26.09%, Don't Know: 26.08%

Option 4 – Disregarding Carers Allowance, the support component of the Employment and Support Allowance and the housing element of Universal Credit

Yes: 78.26%, No: 17.39%, Don't Know: 4.35%

Option 5 - To reduce the maximum limit of capital from £16,000 to £6,000

Yes: 69.57 %, No: 30.43%, Don't Know: 0%

Option 6 – Removing the current earnings disregards and replacing them with a standard £25 disregard for all working age applicants..

Yes: 56.52%, No: 21.74%, Don't Know: 21.74%

Option 7 - To allow further income disregards where an applicant, their partner or any dependant is in receipt of a disability benefit

Yes: 78.26%, No: 8.70%, Don't Know: 13.04%

Option 8 – Removing the Extended Reduction provision

Yes: 69.57%, No: 21.74%, Don't Know: 8.70%

Option 9 - Removal of Second Adult Reduction from the scheme

Yes: 72.73%, No: 18.18%, Don't Know: 9.09%

Option 10 – Any new claim or change in circumstances which changes Council Tax Reduction entitlement will be made from the date on which the change occurs, (rather than on a weekly basis as at present)

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Yes: 90.48%, No: 9.52%, Don't Know: 0%

Option 11 – Extending the ‘backdating’ provisions within the scheme

Yes: 90.48%, No: 4.76%, Don't Know: 4.76%

- 3.56 It can be seen from the above that the overall response to the changes have been positive and that the consultees largely support the recommended new Council Tax Reduction scheme.

Customer / Equalities and Diversity Implications

- 3.57 A stage one Equality Impact Assessment is attached within Appendix 1 of this report.

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4. RISK MANAGEMENT

4.1 The following risks are associated with the project:

Risk	Mitigation	Opportunities
Property <i>No risk</i>	N/A	N/A
Community Support <i>Potential Changes to the support of some working age applicants</i>	<ul style="list-style-type: none"> Where an applicant may receive less Council Tax Reduction, they may apply for additional support under the Council's Exceptional Hardship Fund In cases, where applicants have the lowest income, they may receive more support under the proposed scheme. 	There is an opportunity to: <ul style="list-style-type: none"> Modernise the current scheme; Enable a scheme that will be fit for purpose; and Reduce administration.
Timescales <i>It will be essential to meet project timescales if the new scheme is to be introduced for the 2021/22 financial year.</i>	<ul style="list-style-type: none"> The work has already been completed with scheme design and extensive modelling. 	
Project capacity	<ul style="list-style-type: none"> Resources have already been allocated to the project which are sufficient 	
Financial / VfM <i>Changes to the scheme could potentially lead to changes in overall scheme costs</i>	<ul style="list-style-type: none"> Extensive modelling has been undertaken to estimate the costs of the scheme. This will continue throughout the life of the project. 	<ul style="list-style-type: none"> The Council has indicated that it is not looking to make savings from scheme changes. The Council will provide additional support to those households on the very lowest of incomes
Legal	<ul style="list-style-type: none"> The project has been undertaken strictly in 	

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Risk	Mitigation	Opportunities
<i>Failure to set the scheme in accordance with the legislation and failure to comply with the legal requirements for developing a new CTR scheme</i>	accordance with legislative requirements	
Innovation <i>Failure to maximise the potential of change and automation</i>	<ul style="list-style-type: none"> Throughout the implementation, we will look to take advantages of the latest automation of claims and the gathering of data 	<ul style="list-style-type: none"> There will be more opportunity to enhance customer's online experience by receiving immediate decisions of discounts being granted.
Reputation <i>Failure to implement the new scheme on time or failure to deliver a comprehensive and robust scheme</i>	<ul style="list-style-type: none"> The project is following previous successful implementations by other Local Authorities 	<ul style="list-style-type: none"> There is an opportunity for the Council to enhance its reputation by developing an up to date an effective Council Tax Reduction scheme

5. APPENDICES

Appendix 1 – First & Second Stage Equality Impact Assessment;

Appendix 2 – Results from the public consultation document

Appendix 3 – Responses from the Major Preceptors

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