



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 24TH FEBRUARY 2021, AT 6.00 P.M.

VIRTUAL MEETING - TEAMS

SUPPLEMENTARY DOCUMENTATION

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

7. Urgent Decisions (Pages 1 - 2)
9. Recommendations from the Cabinet 17th February 2020 (to follow) (Pages 3 - 4)

To consider the recommendations from the meeting of the Cabinet held on 17th February 2021 (to follow).

Members are asked to note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation or Council tax at a budget decision meeting of the Council.

9a Alternative Budgets (Pages 5 - 10)

A further alternative budget has been received from the Liberal Democrat, Independent East and Independent West groups collectively.

Members are asked to note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation or Council tax at a budget decision meeting of the Council. This includes any votes in respect of any alternative budgets that are proposed.

10a Council Tax Support Scheme (Pages 11 - 26) – this is a revised version of the report already published, the original report should be disregarded.

11. To note the minutes of the meetings of the Cabinet held on 17th February 2021 (to follow) (Pages 27 - 34)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

22nd February 2021

BROMSGROVE DISTRICT COUNCIL

RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES

Subject: Decarbonisation of the Artrix using Section 31 grant funding

Brief Statement of Subject Matter:

Bromsgrove District Council has submitted a bid for Salix grant funding under Section 31 in order to take action that will result in the decarbonisation of the Artrix building. This grant funding will be spent on the installation in the building of an air source heat pump, solar photovoltaic panels, LED lighting and a Building Energy Management System. These measures are predicted to reduce carbon emissions and energy costs. The grant conditions include delivery of the project by 31st March 2022 at the latest.

Decision: To endorse the inclusion of the Section 31 grant funding in the capital budget, to be spent on decarbonisation of the Artrix building.

Date: February 2021

RESOLVED:

- 1) **The Capital Budget be increased by circa £615,000 to receive the payment of Section 31 grant funding; and**
- 2) **Delegated authority be granted to the Head of Legal, Democratic and Property Services following consultation with the Portfolio Holder for Environmental Services and the Artrix Holding Trust, to administer delivery of the funding in line with the grant conditions.**

Grounds for Urgency:

Due to timescales, there was insufficient information to bring a report to Cabinet before an application was submitted in January 2021. The Council was contacted on 26th January 2021 and offered funding directly from BEIS (the Department of Business, Energy and Industrial Strategy) using Section 31, with a decision on accepting the funding required by 18th February 2021.

DECISION APPROVED BY:

.....
Chief Executive

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Dated

.....
Section 151 Officer

.....
Dated

.....
Monitoring Officer

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Dated

Agenda Item 7

.....
Leader

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Dated

.....
Chairman, Overview & Scrutiny Board

.....
Dated

.....
Chairman

.....
Dated

CABINET RECOMMENDATIONS TO THE COUNCIL

On 24th February 2021

Cabinet meeting 17th February 2021

MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24

RECOMMENDED 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

- 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.**

Pay Policy Statement

RECOMMENDED that Full Council approve the Pay policy as detailed in Appendix 1 to the report.

Bromsgrove District Council Alternative budget 2021/22

	2021-22	2022-23	2023-24
	£000	£000	£000
1 Community buses (4 in total)			
Capital Costs £360k			
Revenue running costs	163	165	165
unidentified income to possible fund 3rd year (potentially £10k, £20k and £30k across 3 years)			
life of buses will be 10 years			
Income	-10	-20	-30
2 Enviromental Service Poststo support Place built back in	54	56	0
Revenue Budget for officers to utilise to support Tree Planting, tree maintenance and general environmental schemes across the district	50	50	0
3 Arts, Leisure and Tourism			
to support our 3 fantastic museums (Avoncroft, Norton and Wythall Transport Museum), to support and promote our libraries and also set aside funding (should it be needed) for the Artrix, to get it up and running again when it is safe to do so			
Revenue funds for businesses to bid for up to £8k	50	0	0
Revenue funds for Marketing and Promotion	15	0	0
4 Community Grants (New Homes Bonus NHB)			
increase 21/22 to £120k (£80k proposed already in budget) - bids accepted up to £5/£6k	40	100	50

5	Bromsgrove Health and Wellbeing Partnership Mental Health Professional	50	0	0
6	Safer Neighbourhood Team Capital project for new cameras £50k Revenue running costs	5	5	5
		<u>417</u>	<u>356</u>	<u>190</u>
	General Covid grant (5 tranches)	<u>-417</u>	<u>-356</u>	<u>-190</u>

Buses purchase										
	£									
Capital cost	360,000.00 4 buses at £90k		interest charge 1.5%							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	£	£	£	£	£	£	£	£	£	£
MRP charge	30,401	31,617	32,882	34,197	35,565	36,988	38,468	40,007	41,607	43,268
Interest charge	5,400	4,944	4,470	3,977	3,464	2,930	2,375	1,798	1,198	574
Running costs	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000
Income	-10,000	-20,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000
Grant balancing	-153,801	-144,561	-135,352	-136,174	-137,029	-137,918	-138,843	-139,805	-140,805	-141,842

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Cameras purchase

	£										
Capital cost	50,000.00	Cameras	interest charge 1.5%								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
	£	£	£	£	£	£	£	£	£	£	
MRP charge	4,165	4,332	4,505	4,685	4,872	5,067	5,270	5,481	5,700	5,923	
Interest charge	750	688	623	555	485	412	336	257	174	89	
Running costs											
Income											
Grant balancing	-4,915	-5,020	-5,128	-5,240	-5,357	-5,479	-5,606	-5,738	-5,874	-6,012	

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CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

24 February 2021

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

CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

24 February 2021

3. KEY ISSUES

Financial Implications

- 3.1 The current Council Tax Reduction scheme costs approximately £4.459m 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 £4.731m.
- 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

CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

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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.

**CHANGES TO THE COUNCIL TAX REDUCTION SCHEME
2021/22
CABINET****24 February 2021**

- 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.

**CHANGES TO THE COUNCIL TAX REDUCTION SCHEME
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- 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 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.

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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;

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- 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

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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;
- 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;

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- (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 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.

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- 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.
- 3.32 Failing to adopt the new scheme would mean that the 2,063 claimants who would benefit from the implementation of the replacement scheme would continue to receive a lower level of Council Tax Reduction at an average cost for each claimant of £4.76 per week.

Rationale and Impact of Proposed Changes

- 3.33 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.
- 3.34 The initial modelling indicated that of the 2,450 working age recipients of Council Tax Reduction 72%, almost 3 quarters, would receive an increase in the amounts of Council Tax reduction that they receive.
- 3.35 Additional modelling was completed to reflect the changing claimant base, and to adopt additional changes to the disregarded income within the scheme. The latest modelling indicates that of the current 2,504 working age applicants, 82% will see an increase in the level of support that they receive, 3% will see no change in the level of support and 15% - 376 claimants – will see a reduction in the level of support.
- 3.36 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.

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3.37 The replacement scheme retains the provision for exceptional hardship awards to be made; and claimants facing a reduction in the level of support under the new scheme may be considered for transitional protection through the use of the relevant hardship scheme.

3.38 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.

3.39 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.

3.40 The claimants seeing a reduction in support will be a minority and these claimants will be within the higher household income groupings.

3.41 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

3.42 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.

3.43 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.

3.44 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.

3.45 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.

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Removal of extended payments

- 3.46 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.
- 3.47 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.
- 3.48 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.

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

- 3.49 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.
- 3.50 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.
- 3.51 The removal of tariff income and introduction of £6,000 capital limit will remove the administrative requirement.
- 3.52 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.
- 3.53 It is important to note that the changes to the income taper and capital limites 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.

CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

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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

3.54 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.

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%

CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

24 February 2021

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)

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.

CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

24 February 2021

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

CHANGES TO THE COUNCIL TAX REDUCTION SCHEME 2021/22 CABINET

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Risk	Mitigation	Opportunities
		very lowest of incomes
<p>Legal <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></p>	<ul style="list-style-type: none"> • The project has been undertaken strictly in accordance with legislative requirements 	
<p>Innovation <i>Failure to maximise the potential of change and automation</i></p>	<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.
<p>Reputation <i>Failure to implement the new scheme on time or failure to deliver a comprehensive and robust scheme</i></p>	<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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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

17TH FEBRUARY 2021, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Leader), A. D. Kent (Deputy Leader), G. N. Denaro, M. A. Sherrey, P.L. Thomas and S. A. Webb

Observers: Councillor S. R. Colella, Councillor A. B. L. English, Councillor C. A. Hotham and Councillor K. J. Van Der Plank

Officers: Mr. K. Dicks, Mrs. S. Hanley, Mrs. C. Felton, Mr C. Forrester and Ms. J. Bayley

61/20 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

62/20 **DECLARATIONS OF INTEREST**

Councillor Shirley Webb declared an other disclosable interest in Minute Item no. 66/20 – Catshill and North Marlbrook Neighbourhood Plan – due to her role as the ward Councillor for Catshill South. She remained in the meeting during the debate on the item and took part in the vote.

63/20 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 13TH JANUARY 2021**

The Minutes of the meeting of Cabinet held on 13th January 2021 were submitted.

RESOLVED that the minutes of the meeting of Cabinet held on 13th January 2021 be approved as a true and correct record.

64/20 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 11TH JANUARY 2021**

Cabinet was advised that there were no recommendations from the meeting of the Overview and Scrutiny Board held on 11th January 2021 for consideration.

Members were also advised that there were no recommendations arising from the meeting of the Board held on 15th February 2021 requiring consideration at this time, though proposals would be considered at a future meeting.

During consideration of this item, Members welcomed Councillor C. Hotham, who had been appointed as the Chairman of the Overview and Scrutiny Board at the meeting of the Board held on 15th February. Cabinet regularly considered proposals received from the Overview and Scrutiny Board and Councillor Hotham was advised that he would be welcome to attend future meetings of Cabinet to speak on behalf of the Board.

RESOLVED that the minutes of the Overview and Scrutiny Board meeting held on 11th January 2021 be noted.

65/20

MOTION ON NOTICE - REFERRED TO CABINET

Motion on Notice – Bromsgrove Tree for Life Scheme – Councillor S. Colella

Councillor S. Colella presented a Motion on the subject of introducing a Bromsgrove Tree for Life Scheme in the district, which had been referred to Cabinet by Council. This Motion had been submitted to Council in September 2020 and Councillor Colella commented that he was keen to receive an update on progress.

A response was provided to this Motion by the Portfolio Holder for Environmental Services. Cabinet was informed that there was support for planting new trees in the district. However, this could not be funded using the £25,000 budget available for the use of the Council's Place Team, as that funding had already been allocated. Unfortunately, there was no other suitable budget available for this purpose. Therefore, Officers had been asked to investigate the potential to access external sources of grant funding. In addition, Members were advised that Worcestershire County Council had a programme of planting which could assist with this matter, though the programme could not be controlled by Bromsgrove District Council.

Cabinet was advised that additional information had been identified in relation to the National Tree Planting Scheme. Officers had been tasked with exploring the potential for Bromsgrove District to benefit from this scheme. Moving forward, the Council needed to work with partner organisations, including Worcestershire County Council, to address this matter.

66/20

CATSHILL AND NORTH MARLBROOK NEIGHBOURHOOD PLAN

The Portfolio Holder for Planning and Regulatory Services began by thanking Catshill and North Marlbrook Parish Council for their hard work in preparing the Catshill and North Marlbrook Neighbourhood Plan. Cabinet was informed that a lot of work had been undertaken in the preparation of the plan by both the Parish Council and the Council's Planning Department. There had been hopes that the referendum in respect of the plan could take place on the date of the County Council

elections, in May 2021. However, unfortunately it was unlikely that these timeframes would be met.

The Strategic Planning and Conservation Manager presented the report and in so doing explained that Council Officers had provided advice to Catshill and North Marlbrook Parish Council on the preparation of the neighbourhood plan. The plan detailed policies pertaining to the parish of Catshill and North Marlbrook. The plan was forward thinking and referenced Bromsgrove District Council's Local Plan. Within the document, sites had been identified which could be suitable for future development and information had been provided about potential housing numbers at developments in the parish. The policies within the plan would help to inform future consideration of planning applications that were submitted for sites within the parish.

The Council's response to the neighbourhood plan had been provided for Members' consideration. Council responses to neighbourhood plans were issued at a time considered to be appropriate by the Council. Subject to Member approval, the neighbourhood plan would subsequently be the subject of public consultation and the public would be able to access the documentation in the plan on both Bromsgrove District Council's website and on Catshill and North Marlbrook Parish Council's website. Once the consultation process was complete, the neighbourhood plan would be considered at a public enquiry. At the end of that enquiry process there would be a local referendum. Unfortunately, it was not possible to gauge how long the examination process would take and for that reason it was not possible to guarantee that the referendum could take place at the same time as the County Council elections in May 2021.

RESOLVED that

- 1) The letter at Appendix 2 is sent to Catshill & North Marlbrook Parish Council as the District Council's response to the CNMNP submission version;
- 2) A six-week statutory ('Regulation 16') representation period on the Catshill and North Marlbrook Neighbourhood Plan is held by the District Council;
- 3) Delegated authority is given to the Head of Planning, Regeneration and Leisure Services to appoint an independent examiner to undertake examination of the Catshill and North Marlbrook Neighbourhood Plan following the statutory representation period; and
- 4) delegated authority is given to the Head of Planning, Regeneration and Leisure Services to arrange a referendum on the Catshill and North Marlbrook Neighbourhood Plan, subject to the recommendations set out in the examiner's report.

67/20

FINAL COUNCIL TAX SUPPORT SCHEME

The Portfolio Holder for Finance and Enabling explained that the Council Tax Support Scheme had been pre-scrutinised at the meeting of the Overview and Scrutiny Board held on Monday, 15th February 2021. Several queries had been raised during the debate on this item and Officers had undertaken some remodelling work in response. Further time was needed to complete this work and therefore it was proposed that this item should be deferred for consideration at the Cabinet meeting that was scheduled to take place on Wednesday, 24th February 2021.

68/20

MEDIUM TERM FINANCIAL PLAN 2021/22 - 2024/25 INCLUDING CAPITAL PROGRAMME

The Head of Financial and Customer Services presented the Medium Term Financial Plan 2021/22 to 2023/24 and in so doing highlighted the following points for Members' consideration:

- The budget had been prepared at a difficult time, in the midst of a global pandemic and at a time of uncertainty for local government finances.
- District Councils could increase Council Tax by a maximum of 2.99 per cent or £5. Officers were proposing that Council Tax should be increased by £5 in Bromsgrove as this would result in a slightly higher rate of return to the Council.
- There had been a sizable gap in the budget for 2021/22 which had had to be addressed in balancing the budget.
- Additional pressures, including loss of income from car parking fees, had needed to be taken into account, though some of the losses in income from parking had been offset by the financial support provided by the Government.
- The Corporate Management Team (CMT) had reviewed the Council's budget on a line-by-line basis and had identified a number of savings and income opportunities in doing so.
- Many of the savings that had been reported were relatively small. However, cumulatively the savings contributed to balancing the budget for 2021/22.
- Funding had been received from the New Homes Bonus (NHB) for 2021/22. However, there was uncertainty about the availability of funding from this or a replacement scheme in future years.
- The proposed budget would result in a return of £22,000 to balances in 2021/22. However, there remained gaps in the budget in 2022/23 and 2023/24 which would need to be addressed moving forward.
- The Council would be using £638,000 from reserves to help balance the budget in 2021/22. This funding could not be reused in future years.

- The Council's balances remained in excess of £1 million. The strength of the Council's balances compared favourably with other district Councils.
- A significant bid for capital funding had been included for Disabled Facilities Grants, though Members were asked to note that these were not funded by the Council.
- There was a large bid for capital funding for electric vehicle charging points, though Cabinet was advised that some of these costs could be met through grant funding.
- The Covid-19 pandemic had added to the uncertainty regarding local government finances. The continuing impact of the pandemic was difficult to predict.
- Brexit was also adding to uncertainty about the future financial position of the Council. There was the possibility that Brexit would impact on local businesses and subsequently on future business rate collections, though this remained to be clarified.

Following the presentation of the report, the Portfolio Holder for Finance and Enabling thanked the Financial Services team for their hard work. It was acknowledged that budget preparation had been particularly challenging during the Covid-19 pandemic and that this had occurred at a time when the Financial Service Team were also working hard to distribute grant funding to local businesses. However, Members commented that despite this, the Council was proposing a balanced budget.

Cabinet was informed that 2021/22 would be the first year in which the Council Tax base would decline, by £74,000. In part, this was due to the impact of the Covid-19 pandemic, as fewer houses had been built during 2020/21 as a consequence. In addition, the proposed changes to the Council Tax Support Scheme would result in a lower rate of return to the Council, as extra support would be provided to the most vulnerable residents.

Members welcomed the proposed funding that would support the green thread in the Council Plan. This included the proposed capital funding for electric vehicle charging points and, as well as supporting the green agenda, Members commented that this would support initiatives to encourage people to return to the town centre once the pandemic had ended, to the benefit of local businesses. Cabinet also welcomed the proposed capital funding for the purchase of a new electric bus, which would help to connect Bromsgrove town centre to Bromsgrove Railway Station. Members commented that this would enable more people to access Bromsgrove town centre moving forward, which would help the local economy.

During consideration of this item, Members highlighted a typographical error in respect of the figures that had been provided for Council Tax. In the report it had been recorded that there would be demand on the collection fund to meet the Council's needs at £8.64 million but later in the report it had also been reported that in 2021/22 a total of £8.665

million was due to be collected. Officers agreed to check the accuracy of the figures provided prior to Council.

RECOMMENDED that

1) The Unavoidable costs be approved:

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

2) The Revenue Bids be approved:

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

3) The Identified Savings be approved:

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

4) The General Fund Capital Programme bids be approved:

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

5) The General Fund capital programme be approved:

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

6) The net general fund revenue budget be approved.

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

7) The increase of the Council Tax per Band D at £5 for 2021/22 be approved; and

8) The transfer to Balances of £22k for 2020/21 be approved.

69/20

PAY POLICY STATEMENT

The Pay Policy Statement 2021/22 was considered by Cabinet. Members were advised that there was a statutory requirement for this report to be considered each year as part of the budget setting process.

Agenda Item 11

Cabinet
17th February 2021

The report detailed the pay scales of staff employed by the Council, from the Chief Executive to the lowest paid staff. Staffing costs were shared with Redditch Borough Council due to the shared services arrangements that were in place with that local authority.

RECOMMENDED that the Pay Policy Statement 2021/22 be approved.

(Prior to the end of the meeting the Chairman thanked the Senior Democratic Services Officer for Bromsgrove, who was shortly due to leave the Council, for her hard work and support and wished her a long and happy retirement.)

The meeting closed at 6.33 p.m.

Chairman

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