



Leicester
City Council

Minutes of the Meeting of the
NEIGHBOURHOOD SERVICES AND COMMUNITY INVOLVEMENT SCRUTINY
COMMISSION

Held: WEDNESDAY, 16 NOVEMBER 2016 at 5:30 pm

P R E S E N T :

Councillor Cutkelvin (Chair)
Councillor Gugnani (Vice-Chair)

Councillor Dr Chowdhury Councillor Halford
Councillor Fonseca Councillor Hunter

In Attendance

Sir Peter Soulsby – City Mayor

Also present

Councillor Chaplin
Councillor Sood – Assistant City Mayor Communities & Equalities

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43. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Aldred.

Although not a member of the Commission, Councillor Waddington, (Assistant City Mayor – Jobs and Skills), also submitted her apologies for absence, as she normally would have attended the meeting.

44. DECLARATIONS OF INTEREST

No declarations of interest were made.

45. CHAIR'S ANNOUNCEMENT - MR ALLAN GRATRIX

The Chair announced with regret that Mr Allan Gratrix, a well-known community campaigner who had attended meetings of this Commission on many occasions, had died.

The City Mayor noted that, although he had known Mr Gratrix as a City Councillor, he was better known as an active campaigner within the community and would be greatly missed.

The Commission endorsed these comments.

46. COUNCIL TAX REDUCTION SCHEME 2017/18

The Director of Finance submitted a report setting out a request to be made to full Council on 24 November 2016 that a Council Tax Reduction Scheme (CTRS) be adopted for 2017/18.

The City Mayor introduced the report, reminding Members that reductions in funding from the government meant that the Council had to make savings of £155 million in the Council's revenue budget between 2010 and 2020. Of this, £100m already had been delivered. To find the balance, the Council was reviewing where savings could be made and how income could be increased

Initially, the government had funded a national scheme for Council Tax benefit, but since 2013 the Council had had to meet this cost with a reduced funding envelope. Given the Council's very difficult financial position, consideration therefore needed to be given to whether the current level of contribution being made by recipients of relief under this scheme should be increased to contribute to the savings the Council needed to make.

Before a decision could be taken on this, the Council was required by statute to consult residents. This had been done, with three options being offered, details of which were set out in the report. However, the consultation had generated a low level of response, with half of respondents favouring option one (no change) and the preferences of the remainder being split fairly evenly between options two and three.

The City Mayor therefore suggested that, having considered the results of the consultation and the Council's financial situation, it would be possible to continue with the current CTRS for a further year. However, if it was decided at that time not to reduce the relief given on Council Tax, this decision would need to be reconsidered next year, at which time further consultation with residents would be required.

The City Mayor reminded Members that people over state pension age were exempt from the scheme, and so were able to still receive 100% reduction, (dependent on income levels). Working age residents could only receive a maximum 80% reduction. When the CTRS was next reviewed, the Council

would seek to retain a “safety net” for those in greatest hardship, but it could not guarantee that there would be no change to the level of support provided.

The Director of Finance confirmed that an active marketing programme had been undertaken, to increase awareness of the proposals for the CTRS. This included undertaking consultation on the scheme in conjunction with Leicestershire County Council and the seven district authorities within the county area.

During the consultation period, a flier had been included with all letters sent out by Finance services. Approximately 30,000 such communications had been sent. Other communication methods included adding the consultation to the City Council’s consultations website, putting up posters in neighbourhood centres and attending community events.

It was acknowledged that the language used in the consultation could be a barrier to people responding, as it was difficult to describe some of the terms. Consequently, a lot of work had been done to try and make it simple and accessible for residents. One possible change for the future was to refer to the CTRS as Council Tax Support, which some other authorities already did, as this could make it easier for residents to understand.

The following comments were made during discussion on the report:

- When consultation was undertaken for the first CTRS in 2013, information had been posted to all 130,000 households in the city, but only 871 responses had been received. 570 responses were received to the consultation this year;
- The value of the consultation was queried, both in terms of the low response and the equality in the preferences indicated by respondents, but it was noted that a low response to this type of consultation was not unusual. However, it raised the question of whether other methods of consultation should be tried, or longer consultation periods used;
- The cost of future consultations would depend on the mechanisms used. For example, writing individually to the 134,000 households in the city would cost approximately £40,000 in postage. Alternatively:
 - Information could be included in other communications sent throughout the year to residents. However, although this would reduce postage costs, the consultation could be missed through being included with other papers;
 - A pilot consultation could be undertaken before the main one, preferably with people currently receiving discretionary relief, to identify strengths and weaknesses in the proposed consultation mechanism; or
 - A focus group could be established to consider the proposals;

- Approximately one third of households in the city received a reduction in their Council Tax under the current CTRS, which was a very high proportion;
- Spoken language had not been identified as a barrier, as approximately 53% of the CTRS caseload were white British people;
- Approximately 66% of those receiving CTRS were of working age and approximately 61% did not receive Department for Work and Pensions benefits;
- Just over 6,000 cases receiving CTRS had been sent a court summons for non-payment of Council Tax during the last year, but most people paid what was owed when recovery action was started;
- It was hard to assess whether a decrease in CTRS would lead to more recovery action being needed, as Council Tax payment levels were consistently high, at over 90%, so recovery action was only needed against a small proportion of households;
- In view of the Council's current financial position, the recommendation to make no change to the CTRS should be reviewed in 12 months' time;
- If it was recommended that the minimum payment of Council Tax required under the CTRS was increased, compensatory adjustments would need to be made to the Discretionary Relief Fund (DRF);
- £500,000 currently was set aside annually for the DRF. To date, this had been sufficient to meet identified need, with any excess being kept as a reserve to help support households affected by the government's welfare reform agenda. However, if the CTRS was reduced, an increased amount could be needed for the DRF;
- If the amount of support provided through the CTRS had to reduce, the payments towards their Council Tax that residents would be required to make should increase gradually, to make it more manageable for those paying. In reply to this, the City Mayor suggested that, as the amounts involved were relatively small compared to the impact of other benefit cuts, there was no particular advantage in staging the increases, so a one-off increase could be preferable;
- People could receive up to 100% council tax support, (comprised of 80% CTRS and 20% discretionary relief), with decisions being made on applicants' individual circumstances. Applications for relief needed to be renewed annually;
- Officers proactively identified potential recipients of CTRS and council tax discretionary relief when considering other financial support available for residents, or contact with those people suggested that they could be in

financial difficulty, and encouraged them to apply. In addition, officers trained staff from the Social Welfare Advice Partnership to promote available support to customers;

- When compared to other authorities' CTRSs, this Council's was fairly average. For example, over 80% of schemes required a minimum payment to be made; and
- Eligibility criteria for CTRSs were discretionary, so consideration could be given to whether those used for this Council's CTRS were in line with those used by other authorities. However, comparisons already made showed that increasing the minimum payment required was the only way in which a meaningful increase in income could be achieved.

Members thanked officers for submitting a very comprehensive report.

In view of the comments made on the report, it was suggested that the CTRS consultation process should be scrutinised at an earlier stage in the future. The Commission had not been party to the discussions on the options to be consulted on this year and some Members felt that this had been restrictive. For example, a three-year scheme could have been considered, rather than the current one-year proposal, which would have avoided having to review the scheme again in 12 months' time.

AGREED:

- 1) That the Executive be asked to recommend to Council that no changes are made to the current Council Tax Reduction Scheme at this time, but that this decision be reviewed next year, taking account of the comments recorded under 2) below;
- 2) That the Executive and the Director of Finance be asked to:
 - a) Ensure that this Commission has the opportunity to be involved in all aspects of the consultation process for any future Council Tax Reduction Scheme, including, but not exclusively, the opportunity to scrutinise what is to be consulted on, the consultation method and the results of the consultation;
 - b) In addition to a) above, the opportunity to be provided to scrutinise the Council Tax Reduction Scheme eligibility criteria and how discretionary payments are administered, to explore if these can be strengthened and better targeted, paying particular attention to those at the threshold;
 - c) Undertake the involvement referred to in a) and b) above in sufficient time to enable the Commission to make considered responses;

- d) Give consideration to how participation by residents in future consultation on Council Tax Reduction Schemes can be improved including, but not exclusively, the points raised by the Commission and recorded above;
- e) During the next 12 months, explore the opportunity to include the following in future Council Tax Reduction Schemes:
 - i) if the required minimum Council Tax payment is increased, these payments to increase gradually; and
 - ii) a “ceiling price” that claimants are required to contribute towards their council tax bill

and report back on this to this Commission on the feasibility of these;

- f) Continue to monitor the impact of the government’s welfare reform agenda on the city’s residents and ensure when considering any changes to the Council Tax system that people’s income is considered holistically;
- g) Further to f) above, consider how negative effects of changes arising as a result of the government’s welfare reform agenda can be mitigated, including, but not exclusively:
 - i) options such as discounts for and/or free use of appropriate Council services; and
 - ii) continued work with schemes associated with the Crisis Support Grant, such as furniture and food banks, and the use of pre-payment cards for utilities;
- h) Build on current strengths in communication and partnership working with the social welfare advice sector to, where possible:
 - i) strengthen the accessibility and quality of debt advice provided; and
 - ii) ensure that partnership agencies are aware of the possible impacts of social welfare changes on claimants’ mental wellbeing and are able to signpost appropriately;
- i) Consider how barriers to claiming reductions in council tax and other discretionary funding can be minimised or removed to ensure that those eligible for reductions in their council tax, or other discretionary funding, receive this

assistance;

- j) Continue to proactively promote discretionary funds to those who are eligible for this support and explain how they can be accessed, and to consider mapping recipients of these payments;
- k) If it is decided to make no changes to the Council Tax Reduction Scheme at this time and the Council re-visits this decision in 12 months' time, ensure that, for any increase in minimum Council Tax payments required, corresponding amounts of discretionary funding are made available and that everything within the Council's power is done to protect these amounts; and
- l) Consider how the number of court summonses for non-payment of council tax can be reduced through improved channels of communication at early stages of the process.

47. CLOSE OF MEETING

The meeting closed at 6.55 pm

