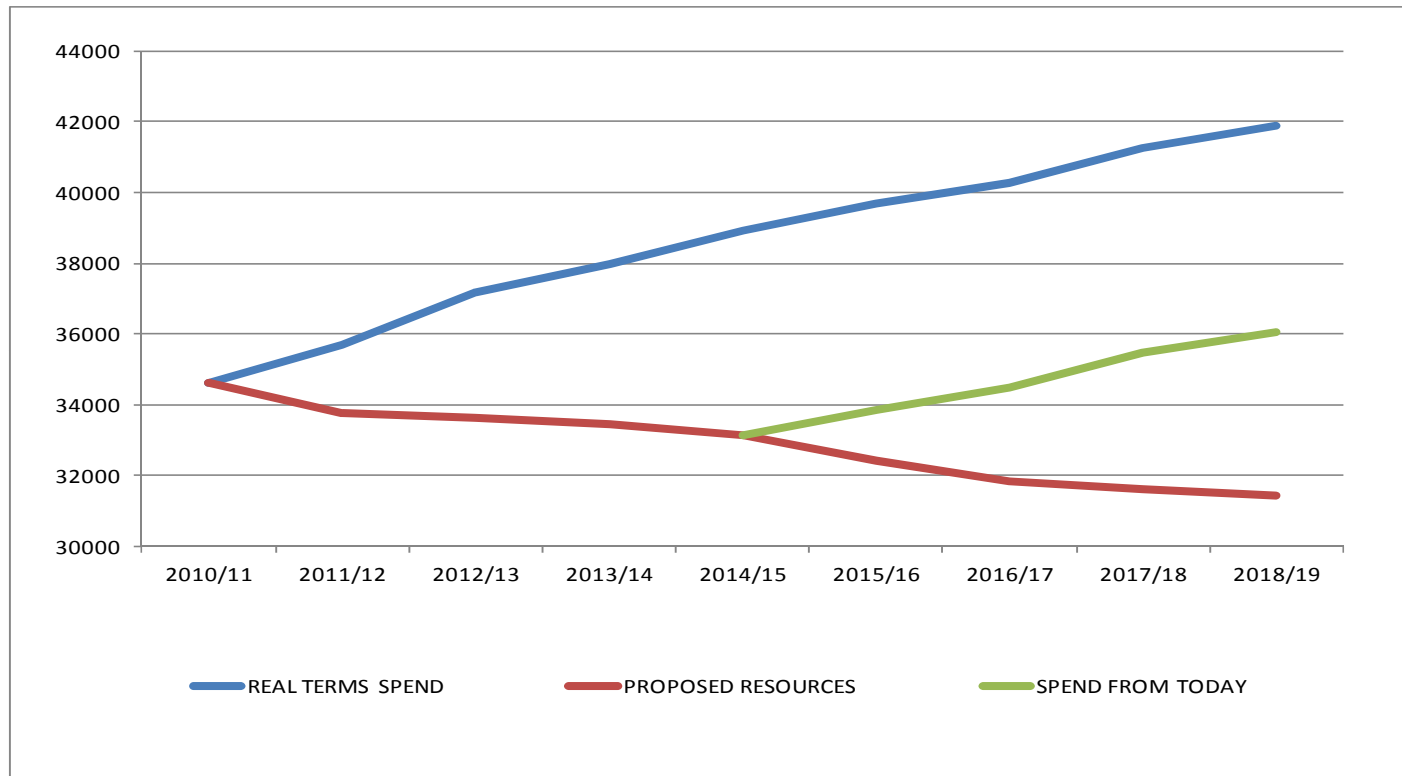


Appendix B

Council Tax Support

REVENUE POSITION

Known as the "Jaws of Doom"



REVENUE RESOURCES

	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
REVENUE SUPPORT GRANT	3,274	2,251	1,463	922	420
BUSINESS RATES	2,903	2,983	2,896	2,889	2,893
COUNCIL TAX	12,939	13,162	13,464	13,772	14,087
TOTAL	19,116	18,396	17,823	17,583	17,400

REVENUE EXPENDITURE

	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
CURRENT SPEND	19,549	19,116	18,396	17,823	17,583
INFLATION, PAY ETC.	535	471	464	551	563
LOSS OF ADMIN GRANT	25	75		100	
PENSION CHANGES	50	50	50	300	
LOCAL PRESSURES	211	130	80	50	50
BUDGET REQUIRED	20,370	19,842	18,990	18,824	18,196

REVENUE SAVINGS

	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
RESOURCES AVAILABLE	19,116	18,396	17,823	17,583	17,400
MAXIMUM BUDGET SPEND	20,370	19,842	18,990	18,824	18,196
SAVINGS REQUIRED	1,254	1,446	1,167	1,241	796
PROPOSALS IDENTIFIED	1,254	849	205	160	0
BALANCE	0	597	962	1,081	796

Additional Target for Commercialisation could be £1m

LCTS HISTORIC FUNDING

- Government took council tax benefit from 2011/12 (£11m for MBC)
- Made a savings of 10% so funding becomes £10m
- Divided this between MBC, KCC, KFRA, KPA
- MBC got a grant of £1.4m
- MBC need to design a scheme that meant our costs could be funded by £1.4m – find funding

LCTS HISTORIC FUNDING

- Preceptors requested all districts pass on the loss to claimants.
- A three year agreement was reached.
- Funding supported by changes to other discounts and exemptions.
- MBC receives £125,000 administration funding from preceptors.

LCTS KENT SCHEMES

Council	2013/14 Reduction %	2014/15 Reduction %
Tonbridge & Malling	8.5	18.5
Tonbridge Wells	8.5	18.5
Maidstone	8.5	13
Sevenoaks	8.5	18.5
Dartford	8.5	18.5
Gravesham	8.5	18.5
Swale	8.5	15
Ashford	8.5	10
Shepway	8.5	18.5
Canterbury	5	5
Dover	6	6
Thanet	5.5	5.5
Medway	25	25

Council Tax Support

- The current CTS scheme mirrors the previous CTB scheme as a means tested discount, based on household circumstances and income.
- Must protect Pension age customers at the same level as CTB
- All working age customers are subject to a percentage baseline reduction, currently 13%

Calculation of CTS

- Customer and partners income is included to form a total weekly household income.
- Most income is taken into account except:
 - Child Benefit
 - Disability Living Allowance
 - War Pensions

Calculation of CTS

- Capital below £6000 is disregarded
- Not entitled if Capital is £16,000 or higher
- Assumed interest/investment income for Capital between £6,000 and £15,999
- Income is then compared against a living allowance called an Applicable Amount

Applicable Amounts

- Applicable Amounts built up based on family circumstances with extra allowances given based on:
 - Age
 - Additional household members such as children
 - Disability
 - Carer

Applicable Amounts

Single Person	
Personal Allowance	£72.40

Disabled Single Person	
Personal Allowance	£72.40
Disability Premium	£31.85
Total Applicable Amount	£104.25

Couple with Three Children	
Couple Allowance	£113.70
Family Premium	£17.40
Child Allowance (£66.33) x 3	£198.99
Total Applicable Amount	£330.09

Calculation of CTS

Total Income	£150
Applicable Amount	£100
Excess Income	£50
Weekly Council Tax Charge	£25
Less 20% of Excess Income	£10
Maximum CTS (if Pension Age)	<u>£15</u>
Baseline Reduction (13%)	£1.95
Final Weekly CTS award	<u>£13.05</u>
Customer Weekly Contribution	£11.95

Second Adult Rebate

- Reduction of up to 25% to offset the loss of a single person discount
- Based on the income of a non dependant or adult child

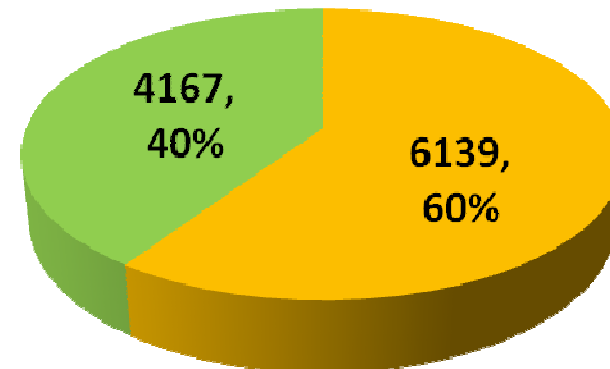
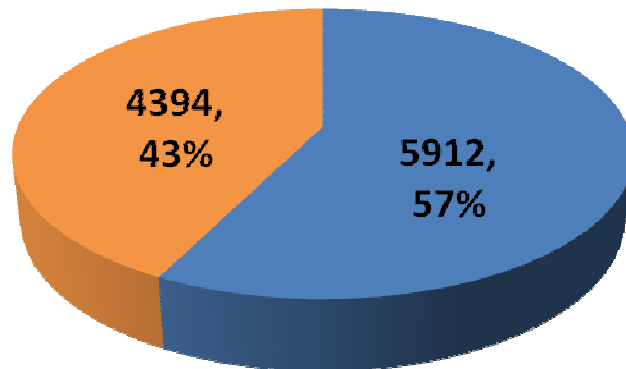
Description	Amount
2nd Adult receives IS/JSA/IB / Pension Credit/ESA (IR)	25%
2nd Adult income < £185	15%
2nd Adult income £185 - £240.99	7.5%
2nd Adult income £241 >	Nil

- Percentage reduction is also subject to baseline reduction, of 13% for working age customers

Current Caseload 14/15

■ Working Age ■ Pension Age

■ Passported ■ Non Passported

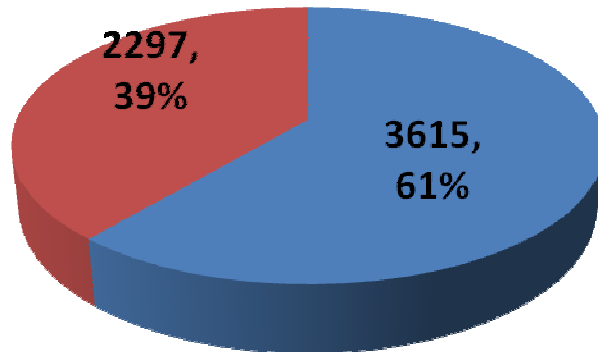


Passported means customers receiving; Income Support, Jobseekers Allowance (Income Based), Employment Support Allowance (Income Related) or Pension Credit (Guaranteed Credit)

CTS Caseload 14/15

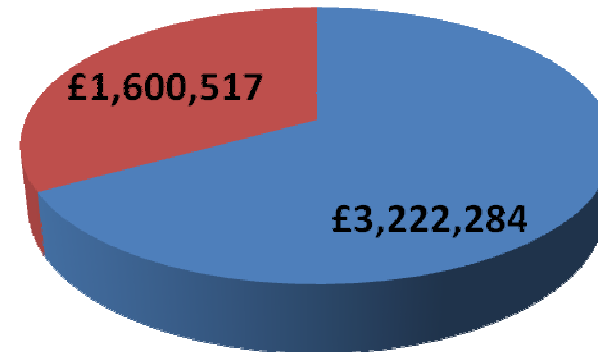
Working Age Caseload

■ Passported ■ Non Passported



Working Age Expenditure

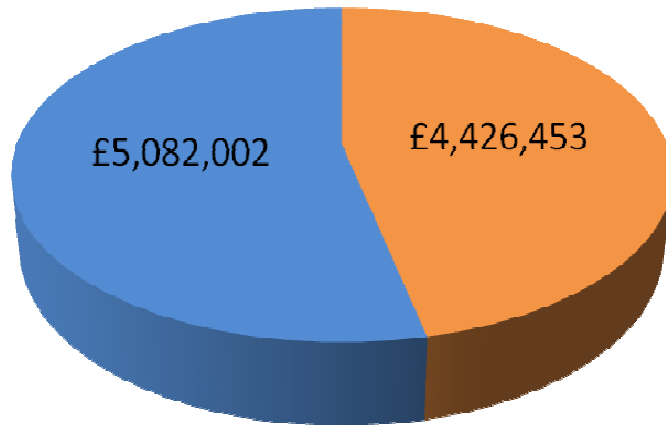
■ Passported ■ Non Passported



CTS Expenditure

2013/2014 Expenditure
£9,508,455

■ Pensioner ■ Working Age

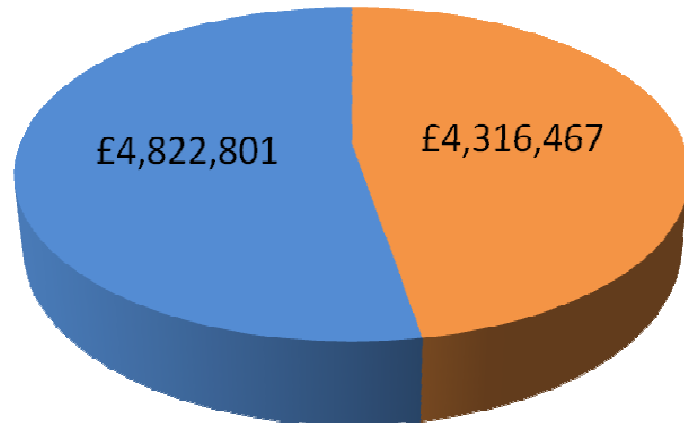


Full Cost (without reduction)	£10,391,754
Expected Cost (with 8.5% reduction)	£9,508,455
Current Funding	£9,040,000

CTS Expenditure

Predicted 2014/2015 Expenditure
£9,139,267

■ Pensioner ■ Working Age



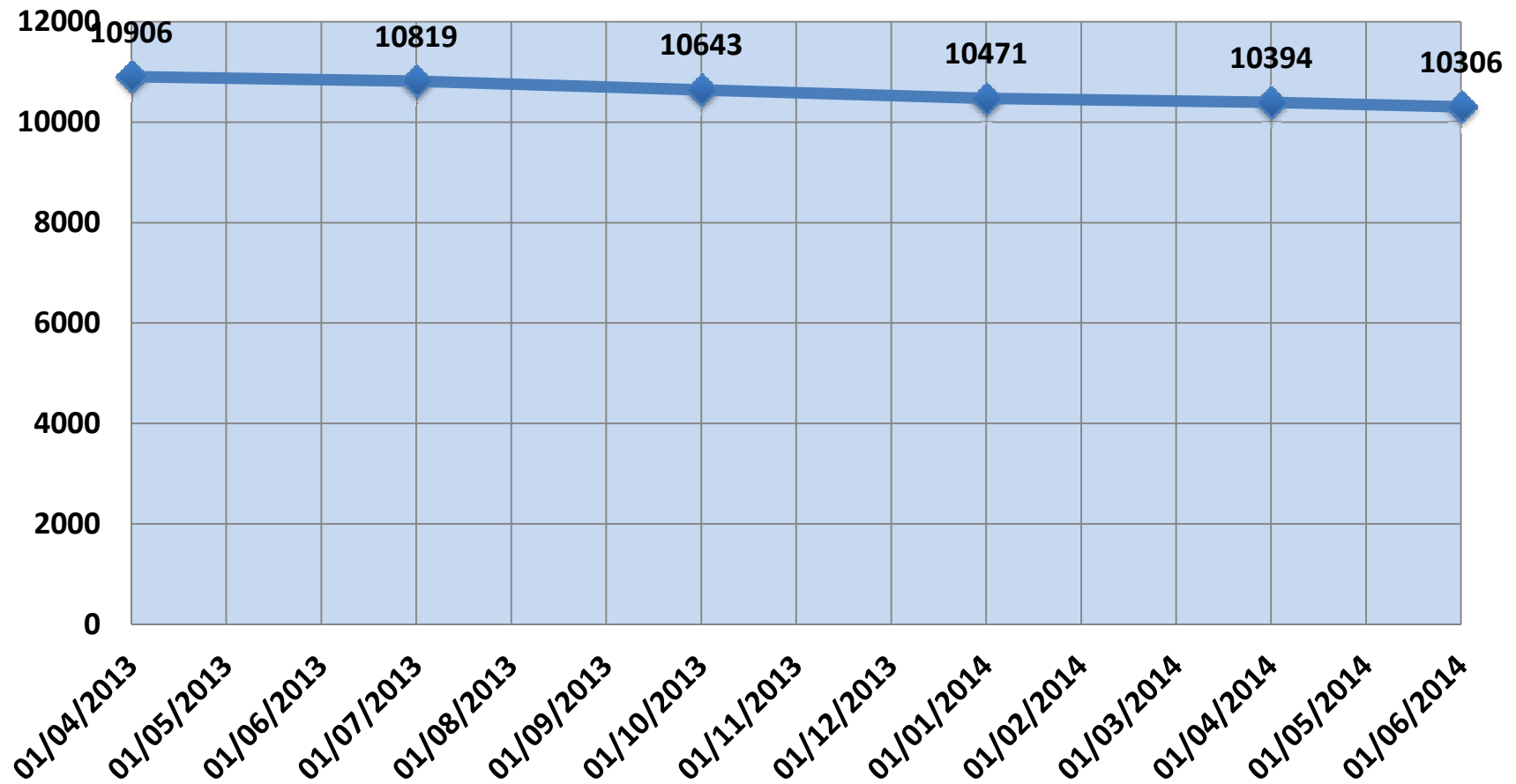
Full Cost (without reduction)	£9,770,000
Expected Cost (with 13% reduction)	£9,139,267
Current Funding	£9,040,000

Collection Stats

2013/14 Collection	
Working Age CTS	80.0%
Passported Working Age CTS	83.0%

Case Type	Final Reminder	Bailiff	Attachment of Benefit
Passported	859 (24.39%)	47 (1.33%)	347 (9.85%)
Non Passported	418 (14.89%)	80 (2.85%)	28 (1%)
Disabled	157 (15.03%)	11 (1.05%)	63 (6.03%)
All	1277 (20.17%)	127 (2.01%)	375 (5.92%)

CTS Caseload



Factors to Consider

- Fundamental review scheduled by Scrutiny
- Future grant likely to be reduced (inflation)
- Demand could change
- Stability for taxpayer

What do we aim to achieve for 2015/16?

Summary Options

- Option 1 – Maintain current scheme (existing 13%)
- Option 2 – Remove current council subsidy
- Option 3 – Reduce subsidy (county scheme (18.5%))
- Option 4 – Meet shortfall in grant
- Option 5 – Variation to criteria (2nd adult rebate, capital)
- Option 6 – Protection for disabled / carers

Option 1 – Current Scheme

Option 1		
Current scheme (13% re	£9,322,052	
Pensioner	£4,982,357	
Working Age	£4,339,695	
Grant	£9,040,000	
Scheme Reduction	£648,460	
council subsidy	£282,052	
Impact on working age	-13.00%	
Impact	Annual	Weekly
Passported	£119.57	£2.30
Non passported	£94.18	£1.81
Disabled	£119.45	£2.30
Carers	£126.10	£2.43
Average	£109.65	£2.11

Option 2 – Remove Subsidy

Option 2		
Remove Subsidy	9040000	
Pensioner	4982357	
Working Age	4057643	
Grant	9040000	
Scheme Reduction	£930,512	
council subsidy	0	
Impact on working age	-18.65%	
Impact	Annual	Weekly
Passported	£171.54	£3.30
Non passported	£135.12	£2.60
Disabled	£171.37	£3.30
Carers	£180.91	£3.48
Average	£157.30	£3.03

Option 3 – County Scheme

Option 3		
County Scheme	9,047,703	
Pensioner	4,982,357	
Working Age	4,065,346	
Grant	9,040,000	
Scheme Reduction	£922,809	
council subsidy	7,703	
Impact on working age	-18.50%	
Impact	Annual	Weekly
Passported	£170.16	£3.27
Non passported	£134.03	£2.58
Disabled	£169.99	£3.27
Carers	£179.46	£3.45
Average	£156.04	£3.00

Option 4 – Meet Shortfall

Option 4		
Full Subsidy	9,970,512	
Pensioner	4,982,357	
Working Age	4,988,155	
Grant	9040000	
Scheme Reduction	0	
council subsidy	930,512	
Impact on working age	0	
Impact	Annual	Weekly
Passported	£0.00	£0.00
Non passported	£0.00	£0.00
Disabled	£0.00	£0.00
Carers	£0.00	£0.00
Average	£0.00	£0.00

Option 5 – Variation to Criteria

Option 5		
Vary criteria	9,322,052	
Pensioner	4,982,357	
Working Age	4,339,695	
Grant	9,040,000	
Scheme Reduction	£553,460	
council subsidy	£282,052	
Impact on working age	9.29%	
Impact	Annual	Weekly
Passported	£85.45	£1.64
Non passported	£67.31	£1.29
Disabled	£85.36	£1.64
Carers	£90.12	£1.73
Average	£78.36	£1.51

Option 6 – Carers & Disabled

Option 6		
Protect carers/disabled	9,510,186	
Pensioner	4,982,357	
Working Age	4,527,829	
Current Funding	9,040,000	
Scheme Reduction	£460,326	
Additional Funding	£470,186	
Impact on working age	-13.00%	
Impact	Annual	Weekly
Passported	£119.57	£2.30
Non passported	£94.18	£1.81
Disabled	£0.00	£0.00
Carers	£0.00	£0.00
Average	£109.65	£2.11

Recommendation on the way forward