


Non-Executive Report of the:  <b>COUNCIL</b>  Wednesday 20 January 2016	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Director of Law, Probity and Governance	<b>Classification:</b> Unrestricted
<b>Council Tax Reduction Scheme</b>	

<b>Originating Officer(s)</b>	Tom Scholes-Fogg, Democratic Services.
<b>Wards affected</b>	All wards

## 1. SUMMARY

- 1.1 This report advises that Full Council approval for the continuation of the current Local Council Tax Reduction Scheme (LCTRS) for a further year 2016/17 is to be sought.
- 1.2 The Mayor in Cabinet received the report of the Corporate Director, Resources on Tuesday 5 January and agreed the recommendations that Council approval be sought for the continuation of the current Local Council Tax Reduction Scheme for 2016/17 with a review to follow.
- 1.3 For each financial year, the Council is required to consider whether to revise its scheme or to replace it with a different scheme. Any revision or replacement must be made by 31st January in the financial year preceding that for which the scheme is to take effect.

## 2. RECOMMENDATIONS

- 2.1 The Council is recommended to
  - a) approve the continuation of the current Local Council Tax Reduction Scheme for 2016/17 which will retain the same level of support to all working age Council Tax payers on a low income as set out in the Appended report to Cabinet on 5 January 2016.
  - b) agree that the extension of the scheme is for one year only, to be reviewed alongside the impact of the Government's proposed welfare reform changes and an options review for the future of LCTRS during 2016.

### **3. REASON FOR DECISION**

- 3.1 The Council is obliged to agree a local Council Tax Replacement scheme following the Government's decision to abolish the national Council Tax Benefit scheme with effect from April 2013. This decision compelled Authorities to devise their own local schemes mindful of the fact that Government funding for schemes would reduce by 10%.
- 3.2 The Council meeting of 27 November 2013 agreed a means tested Council Tax Replacement scheme for 2014/15 that broadly mirrored the scheme adopted in 2013/14 and the previous national Council Tax Benefit scheme. The budget proposals for 2016/17 are calculated on the basis that this scheme will continue, and no changes are proposed.
- 3.3 The report presented to Cabinet is attached as an Appendix to this Cover Report. The report to Cabinet contains the full details of the scheme along with relevant legal and financial considerations.