

**1. Draft Council Tax Support Scheme for 2022/2023 (Pages 2 - 10)**

## CABINET MEMBERS DELEGATED DECISION

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory/	Be entirely within Cabinet's powers to decide		YES
	Discretionary /	Need to be recommendations to Council		NO
	Operational	Is it a Key Decision		NO
Lead Member: Cllr Stuart Dark E-mail: cllr.stuart.dark@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Sam Sandell		
		Other Members consulted:		
Lead Officer: Jo Stanton E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616349		Other Officers consulted: Michelle Drewery, s151 Officer		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s) N/A				
Date meeting advertised: 19 <sup>th</sup> October 2021		Date of meeting decision to be taken: 26 <sup>th</sup> October 2021		
Deadline for Call-In: 2 <sup>nd</sup> November 2021				

## COUNCIL TAX SUPPORT SCHEME 2022/2023: DRAFT SCHEME FOR WORKING AGE CUSTOMERS FOR CONSULTATION

### Summary

The council must implement a Council Tax Support (CTS) scheme for its working age residents for each financial year. We must first decide on a draft CTS scheme which is open for public consultation, and then must agree a final CTS scheme, taking into account the consultation responses.

Since 2017, authority has been delegated to the Leader, in consultation with the relevant Portfolio Holder and s151 Officer, to agree the draft CTS scheme.

The draft CTS scheme for 2022/2023 is a continuation of the 2021/2022 CTS scheme, with an uplift to the maximum weekly CTS that can be paid under the scheme. **The current limit is 75% and an increase to 84% is proposed for 2022/2023.**

### Recommendation

The proposed amended draft CTS Scheme for 2022/2023 is agreed as the CTS scheme to go to public consultation.

### Reason for Decision

To ensure a CTS scheme for 2022/2023 is agreed by full Council by the deadline.

## **1. Background**

- 1.1. When deciding our CTS scheme for working age customers we must first consult with our major preceptors, then decide a draft CTS scheme to go to public consultation. Once the consultation has closed the final CTS scheme for the next year must then be agreed by full Council by March of the preceding financial year.
- 1.2. Our working age CTS scheme principles have remained largely unchanged since the scheme started in 2013, and are included at Appendix A. They are based on the rules for the old Council Tax Benefit scheme and use many of the same principles as the ongoing Housing Benefit scheme. This makes the scheme easier for our customers to understand, and simpler to administer.
- 1.3. Since 2013 the working age CTS scheme rules have been amended to reflect wider welfare reform changes, including amendments to the Housing Benefit rules and the introduction of Universal Credit. There have been fewer changes in recent years as the pace of welfare reform has slowed. There have been no significant welfare reform changes in the current year that require the CTS scheme to be updated for 2022/2023.
- 1.4. CTS for pension age people is paid under national regulations. We are responsible for the administration of the pension age scheme, and we meet the cost of these claims, however central government is responsible for the rules of the scheme.

## **2. Delegated Power**

### **2.1. Cabinet 28 November 2017**

#### **Minute CAB93:**

Delegated authority is given to the Leader, in consultation with the relevant Portfolio Holder and s151 Officer, to agree the draft Council Tax Support (CTS) scheme to go out to public consultation.

## **3. Options Considered**

- 3.1. We could consider changes to the principles of the existing CTS scheme model, for example to award people more CTS by increasing the maximum weekly council tax bill that is paid under the scheme. At present we will pay up to 75% of the weekly council tax bill for non-protected groups but this could be increased. This would increase the incomes of local residents but would reduce our taxbase, increasing the cost to us and our precepting authorities. This extra cost would have to be found from within the existing budgets for each of the authorities.
- 3.2. Alternatively, we could consider reducing the cost of the CTS scheme by reviewing the Protected Groups as listed in Appendix A (with the exception of Pension Age people). We could consider removing some protections and only paying up to a certain percentage of the weekly council tax bill. To remove all the protections would lower the cost of our scheme by £1,081,000, reducing the cost to us and our preceptors. However, it would mean that people in the Protected Groups no longer benefit from a more generous scheme and will pay more council tax.
- 3.3. There are also alternative CTS scheme models that can be considered for our working age scheme, such as a banded discount scheme, where a set percentage discount is awarded based on a person's income and household.

3.4. Changing our scheme to an alternative model will involve significant changes and financial disruption for our customers, and inevitably there will be winners and losers. It would also mean the rules for working age customers were different to those for pension age customers, and different to the rules for Housing Benefit.

#### 4. Proposed Draft CTS Scheme for 2022/2023 to go to consultation

4.1. Following a review of CTS Schemes for the other Norfolk authorities it is proposed to increase to the maximum amount of the council tax bill covered by the scheme for working age people not in a protected group. **The current limit is 75% and this will be increased to 84%.** This brings us more in line with other CTS schemes across Norfolk and is the same as the proposed limit for Broadland Council and South Norfolk Council for 2022/2023.

4.2. The change will reduce the amount of council tax that working age people who are not in a protected group will pay. For example:

John and Jackie are a couple receiving Universal Credit. They live in a Band B property in King's Lynn and their weekly council tax bill is £28.92.

Under our current scheme 75% of their council tax bill is covered by Council Tax Support. They receive £21.69 a week in Council Tax Support and pay £7.23 a week towards their council tax bill.

The proposed changes mean 84% of their council tax bill is covered by Council Tax Support. They would receive £24.30 a week in Council Tax Support and would pay £4.62 a week towards their council tax bill.

4.3. No other changes are being considered and the rest of the proposed draft CTS scheme for 2022/2023 is a straightforward continuation of the 2021/2022 CTS scheme.

4.4. The draft CTS Scheme going out to consultation is only for working age people. Pension age claims continue to be paid under the national CTS scheme regulations.

#### 5. Consultation

5.1. Norfolk County Council and the Norfolk Police and Crime Commissioner have been contacted for their comments on the scheme. The County Council has accepted our proposals. We are waiting for a reply from the Police and Crime Commissioner.

5.2. The draft CTS scheme public consultation will run for six weeks. The consultation will primarily be online however paper copies of the questionnaire are available on request. The consultation will be publicised on our website, via email alerts and social media.

5.3. The results of the consultation will be fed into the reports for the approval of the final CTS scheme. The final scheme still requires approval by full Council and will be taken to the Corporate Performance Panel and Cabinet before being recommended to Council.

## 6. Policy Implications

6.1. This would be an amendment of an existing policy to make the CTS Scheme more generous.

## 7. Financial Implications of Proposal

7.1. Making our CTS scheme more generous has a financial cost to all the preceptors. As CTS is a discount it reduces our taxbase and our overall income.

7.2. Indicative figures for the extra cost of raising the maximum CTS limit to 84% are shown below:

<b>Maximum CTS</b>			<b>84%</b>
Total CTS Before @ 75%			£ 5,177,248
Total CTS After			£ 5,343,520
<b>Change - additional cost</b>			<b>£ 166,272</b>
Shares 21/22:			
Norfolk County Council	75.41%	£	125,386
Police and Crime Commissioner	14.23%	£	23,661
<b>BCKLWN</b>	<b>6.91%</b>	<b>£</b>	<b>11,489</b>
Parishes	3.45%	£	5,736
			£ 166,272
Taxbase - Additional Reduction in Band D properties	£	1,953.22	85.1

7.3. Increasing the maximum amount of council tax that can be paid under the CTS scheme from 75% to 84% has financial implications. As CTS is a discount it forms part of the council's taxbase calculations. Estimates show that increasing the generosity of the scheme will reduce the taxbase by around 85 band D properties. This is equal to just under £11,500 of annual council tax income for the borough council.

7.4. The overall taxbase figures for the forthcoming financial year are currently being prepared. There has been strong growth in the taxbase, mostly due to an increase in new domestic properties being added to the council tax list. The proposed taxbase for 2022/2023 shows growth ahead of the taxbase in the Financial Plan and this growth will be sufficient to offset the loss in the taxbase caused by changes to the CTS scheme.

## 8. Current Financial Implications

8.1. As at 16 August 2021 the total cost of our 2021/2022 CTS scheme is £10.07m across 10,061 claims and reduces our taxbase by the equivalent of 5,157 band D properties. This reduction in taxbase equals to a cost of £695,525 to the borough council (5,157 x £134.87).

	<b>Claims</b>	<b>Cost</b>	<b>Average Cost Per Claim</b>
Pension Age Claims	4,555 (45%)	£4.84m (48%)	£1,063
Working Age Claims	5,506 (55%)	£5.23m (52%)	£948
<b>Total</b>	<b>10,061</b>	<b>£10.07m</b>	<b>£1,000</b>

8.2. We only have control over the cost of the working age CTS scheme as CTS for pension age people is paid under a national set of regulations.

8.3. A rise in the number of working age CTS claims will increase the cost of the scheme and the impact on the council's taxbase. At present the cost of the CTS scheme is within the predictions in the Financial Plan and this is monitored weekly to identify any changes.

## **9. Impact and Implications of Covid-19**

9.1. The coronavirus pandemic has made a significant impact on the economy and the jobs market. Businesses closed and employees were made redundant. The pandemic caused an increase in our caseload, although it remained within the taxbase estimates for the Financial Plan. We are currently seeing a reduction in the caseload as the economy improves.

9.2. We are now heading into the autumn and winter seasons and the impact Covid-19 may now have is not yet clear. The furlough scheme ended in September 2021 which may also contribute to further demand for welfare benefits.

9.3. Increasing the maximum amount of council tax we will pay under our scheme will increase the incomes of working age people as they will have more of their council tax bill covered by the scheme. The impact of Covid-19 is likely to continue into 2022/2023 and making our scheme more generous will help those on low incomes who are likely to be the hardest hit.

## **10. Personnel Implications**

10.1. None

## **11. Statutory Considerations**

11.1. The Council is required to agree a CTS scheme for 2022/2023 by March 2022, although in practice it must be agreed before the taxbase can be set in January 2022 to allow the budget and council tax setting process to proceed to timetable.

## **12. Equality Impact Assessment (EIA)**

12.1. Pre-screening EIA attached. The full EIA is available with the Cabinet Report of 6 December 2016.

## **13. Risk Management Implications**

13.1. The CTS scheme for 2022/2023 is designed to meet the projections as detailed in the Financial Plan. However, any increases in demand, changes in the composition of the caseload, for example an increase in the number of pension age claimants, or unforeseen changes to other welfare benefits during the year could represent a financial risk by increasing the cost of the CTS scheme and reducing the taxbase further.

13.2. The impact of Covid-19 on the working age CTS scheme forms part of the regular report to MHCLG on the financial implications of the pandemic on local authorities.


13.3. The impact of the CTS scheme is, and will continue to be, reviewed monthly.


**14. Declarations of Interest / Dispensations Granted**


14.1. None

**15. Background Papers**

15.1. None

  
..... 15 October 2021.....  
Signed Date  
(Cllr Stuart Dark, Leader of the Council)

  
..... 15 October 2021.....  
Signed Date  
(Cllr Sam Sandell, Cabinet Member for People and Communities)

  
..... 13 October 2021.....  
Signed Date  
(Michelle Drewery, s151 Officer)



# Pre-Screening Equality Impact Assessment

Borough Council of  
King's Lynn &  
West Norfolk



Name of policy	Council Tax Support Scheme 2022/2023				
Is this a new or existing policy/ service/function?	Existing				
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service rigidly constrained by statutory obligations	Council Tax Support is a discount given to residents on a low income to help with the cost of their council tax bill. The council is free to agree its own CTS scheme for working age people in its area.				
<b>Question</b>	<b>Answer</b>				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age	√			
	Disability	√			
	Gender			√	
	Gender Re-assignment			√	
	Marriage/civil partnership			√	
	Pregnancy & maternity			√	
	Race			√	
	Religion or belief			√	
	Sexual orientation			√	
	Other (eg low income)	√	√		
<b>Question</b>	<b>Answer</b>	<b>Comments</b>			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes	There are protections for those who have a disability, caring responsibilities, children under 5 or who are pension age.			
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	N/A	<p><b>Actions:</b> A full EIA forms part of the Cabinet report of 6 December 2016. As there have only been minor changes to the scheme since a further EIA is not required</p>			
		<p><b>Actions agreed by EWG member:</b> .....</p>			
<b>Assessment completed by:</b> Name Jo Stanton					
<b>Job title</b> Revenues and Benefits Manager	<b>Date</b> 25 August 2021				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

## Appendix A – CTS Scheme Principles

Our current working age CTS scheme assesses a household's income against an allowed amount, called an 'applicable amount'. If their income is less than the applicable amount they receive full CTS, subject to a 25% contribution if they are not in a protected group (the proposal is to change this to 16%). If it is more than the applicable amount their CTS is reduced by 20p for every extra £1 of income.

### Our current CTS Scheme Principles:

An equal cut is made to everyone apart from those in a protected group.

The key points are:

- Working Age people have their CTS calculated based on 75% of their weekly CTS bill **The proposal is to change this to 84%**
- A weekly £10 deduction is made for each non-dependent regardless of their income
- The maximum amount of Capital allowed is £6,000
- No Tariff Income is assumed for capital under £6,000
- Self Employed people are assumed to have an income of at least the minimum wage
- There is no Second Adult Rebate

### To fulfil the requirement to consider vulnerable groups, CTS will be paid based on the national, more generous scheme for the following groups:

- Those who have reached the qualifying age for State Pension Credit (under central government rules)
- Households with at least one child under the age of 5
- Those entitled to the Disability Premium, the Disabled Child Premium or the Carer Premium as part of their needs calculation
- Those in receipt of Carer's Allowance, Attendance Allowance or Constant Attendance Allowance
- Those receiving Working Tax Credit including a disability element
- Those in the Employment and Support Allowance Support group
- Those in receipt of Disability Living Allowance or Personal Independence Payment

### The CTS scheme also includes incentives to find work. People are allowed to keep an extra £10 (above the national limit) before their CTS is affected. This is known as a disregard and the amounts are:

- |                       |     |
|-----------------------|-----|
| • Single              | £15 |
| • Couple              | £20 |
| • Disabled or a Carer | £30 |
| • Lone Parent         | £35 |

### We also have a local income disregard as below:

- War Pensions will be fully disregarded in the income calculation