

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards NONE	Mandatory	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	YES	
Lead Member: Cllr Adrian Lawrence E-mail: cllr.adrian.lawrence@west-norfolk.gov.uk		Other Cabinet Members consulted:		
Lead Officer: Joanne Stanton, Revenues and Benefits Manager E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616349		Other Members consulted: Corporate Performance Panel		
		Other Officers consulted: Lorraine Gore Management Team		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment YES	Risk Management Implications YES

Date of meeting: 8 January 2019

COUNCIL TAX SUPPORT SCHEME 2019/2020: FINAL SCHEME

Summary

The council must review and agree its 2019/2020 Council Tax Support (CTS) scheme for working age people by 11 March 2019. A 'no change' draft CTS scheme was agreed for 2019/2020 by delegated decision. The draft CTS scheme was then opened to public consultation from 25 September 2018 to 9 November 2018.

This report details the results of the consultation and the recommended final CTS scheme for 2019/2020.

It is recommended that Members:

- 1. Note the responses from the Council Tax Support scheme consultation at Section 3 and Appendix B, and**
- 2. Agree that the draft Council Tax Support scheme be recommended to full council as the final Council Tax Support scheme for 2019/2020**

Reason for Decision

To ensure a Council Tax Support scheme for 2019/2020 is agreed by full council by the deadline

1. Introduction

- 1.1. The council must review and agree its Council Tax Support (CTS) scheme each year. The CTS scheme for 2019/2020 must be agreed by full council by 11 March 2019 and forms part of the taxbase setting process.
- 1.2. The draft CTS scheme was agreed earlier in the year by delegated decision and has been open to public consultation. This report details the results of the consultation, the comments made and recommends the final CTS Scheme for 2019/2020.

2. Proposal

- 2.1. The draft CTS scheme for 2019/2020 is a continuation of the 2018/2019 CTS scheme incorporating some minor amendments to keep the scheme in line with wider welfare reforms and the Housing Benefit rules.
- 2.2. The principles of the 2018/2019 CTS scheme to be carried into the 2019/2020 scheme are shown at Appendix C. The scheme assesses people's incomes against an allowed amount. If their income is less than this amount they can receive CTS.
- 2.3. Working age people are expected to make a 25% contribution to their council tax bill if they are not in one of the protected groups. The CTS scheme also contains work incentives and lets people keep more of their earnings before it affects the amount they receive in CTS.
- 2.4. Some minor changes are proposed to the CTS scheme for 2019/2020. These are:
 - 2.4.1. Payments under the Infected Blood Scheme are disregarded, and
 - 2.4.2. Thalidomide Health Grant payments are disregarded
- 2.5. The six week consultation period has now closed and 14 responses were received (one fewer than last year). The results are shown at Appendix B. No amendments are proposed to the draft CTS scheme for 2019/2020 as a result of the consultation, and the draft scheme is now recommended as the final CTS Scheme for 2019/2020.

3. Consultation

- 3.1. The CTS consultation was primarily available via the council's website and as a paper form if requested. Online responses were encouraged as data can be electronically logged and collated. A CTS entitlement calculator was included so people could calculate the impact of the proposals on their own CTS award if appropriate.
- 3.2. The consultation opened on 25 September 2018 and the link to the CTS consultation webpage was sent to all of the borough's councillors and parish clerks so they could encourage their residents to respond. The link was tweeted and included in the council's weekly email. A press release was

issued and an article appeared in the Lynn News on 2 October 2018. Internally all the Revenues and Benefits staff received the link and a piece was included in Internal Affairs. The consultation closed on 9 November 2018. 14 responses were received, down from 15 responses last year.

3.3. Of those who responded, only two are in receipt of CTS. One of these is over pension age so is unaffected by these proposals.

3.4. 43% of the respondents agree with keeping the current CTS scheme, and 43% oppose it, with two stating they don't know. 72% agree that we should disregard payments under the Infected Blood Scheme and 93% agree we should disregard payments made under the Thalidomide Health Grant. The comments in Appendix B should be noted.

4. Other Options Considered

4.1. The council is able to adopt any scheme of CTS for its working age claimants. As CTS is now a discount rather than a benefit it reduces the council taxbase which impacts on the council's income. The council receives a CTS grant as part of its Formula Funding, although the actual amount for CTS is no longer identified separately by Central Government.

4.2. The council could decide to adopt a CTS scheme that is based on the national, more generous, scheme of CTS for pension age customers. The national scheme is based on the old scheme of Council Tax Benefit with no changes to support for any group. However this scheme would not fit within the projections in the Financial Plan and alternative resources would need to be identified to fund the additional cost.

5. Policy Implications

5.1. The CTS Scheme for 2019/2020 is a continuation of an existing policy, updated to include wider welfare reform changes.

6. Financial Implications

6.1. The funding for the CTS scheme is now rolled into the council's RSG funding and is no longer identified separately by central government. There have been significant reductions in RSG since CTS was originally implemented in April 2013.

6.2. The taxbase figures in the Financial Plan 2017/2022 assume the CTS scheme, and the corresponding reduction in the taxbase, remain at the same level as 2018/2019 and that the taxbase will grow by 350 band D properties each year. The 2019/2020 proposed CTS scheme is in line with the assumptions included in the Financial Plan.

6.3. Any changes in the CTS scheme which increase costs will require funding or savings to be identified from other service areas.

6.4. The proposed changes to disregard payments could see a slight increase in the cost of the CTS scheme, as these payments are no longer counted when

working out a person's weekly income. However these cases are likely to be minimal and the CTS caseload continues to fall, reducing the overall cost of the scheme and absorbing any increases.

6.5. The council could choose a CTS scheme that matches the national, more generous CTS scheme used for pension age people. However this would reduce the taxbase further and create an estimated shortfall of around £100,000 a year for the borough and parish councils. The shortfall for Norfolk County Council would be around £765,000 and £141,000 for the Norfolk Police and Crime Commissioner.

6.6. This is the final year that the council will pay a CTS grant to the affected parishes, as detailed in the Financial Plan. The grant is paid in proportion to the cost of the CTS scheme for each Parish. The grant is reduced annually in line with the reduction in RSG and reduces to zero for 2020/2021.

7. Personnel Implications

7.1. None

8. Statutory Considerations

8.1. The council is required to agree a CTS Scheme for the 2019/2020 financial year by 11 March 2019.

9. Equality Impact Assessment (EIA)

9.1. A full Equality Impact Assessment was completed as part of the Cabinet Report for the 2017/2018 CTS Scheme and remains relevant for the 2019/2020 CTS scheme. As the changes for 2019/2020 are only minor a Pre Screening EIA has been completed and is attached at Appendix A.

10. Risk Management Implications

10.1. The CTS scheme for 2019/2020 is designed to meet the taxbase projections as detailed in the Financial Plan 2017/2022 and to include the Government's wider programme of welfare reform. 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.

10.2. The impact of the CTS scheme is, and will continue to be, reviewed monthly and a half year update will be provided in the Members Bulletin.

11. Declarations of Interest / Dispensations Granted

11.1. None

12. Background Papers

12.1. None

Appendix A: Pre-Screening Equality Impact Assessment



Name of policy/service/function	Local Council Tax Support Scheme 2019/2020				
Is this a new or existing policy/ service/function?	Continuation of, and updates to, an existing Policy				
Brief summary/description of the main aims of Policy being screened. Please state if this policy/service is 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 local scheme for the discount for working age people.				
Question	Answer				
<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 according to their different protected characteristic, 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)		√			
Question	Answer	Comments			
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?	No	There are protections for those who have a disability, caring responsibilities, children under 5 or are pension age.			
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	No	<p>Actions:</p> <p>Actions agreed by EWG member:</p>			
Assessment completed by: Name	Joanne Stanton				
Job title	Revenues and Benefits Manager				
Date	4 December 2018				

Appendix B – Council Tax Support 2019/2020 Consultation Responses

Question	Responses				Comments/Alternatives												
Should we keep the current Council Tax Support scheme?	<table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>Don't Know / Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>6</td> <td>2</td> <td>14</td> </tr> <tr> <td>43%</td> <td>43%</td> <td>14%</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	6	6	2	14	43%	43%	14%					<p>'Why should people work hard to pay others peoples taxes. They should all pay the same then this would give more money to go back into helping the older generation who have also paid there way in life and are not getting anything back now'.</p> <p>'There is not enough information on which to make this decision based upon the previous statement. Will you carry out individual financial evaluations? review peoples budgets overall to ensure that 1) they're trying hard to meet council tax payments, 2) truly need help and support, 3) possibly be directed to someone who could possibly help them review income/outgoings'?</p> <p>'If the council are seeking to reduce expenditure and this scheme costs money to administrate, consideration should be given to a change of scheme'.</p> <p>'Households where no one is working, eg being unemployed or on ESA benefit at the lowest level, should not be required to pay any council tax. A retired person on the standard pension does not pay council tax, yet a single person receiving ESA which is less money, pays a percentage of council tax...is this fare'?</p> <p>'Poorer people need as much help as possible, especially with the farce that is Universal Credit being brought in'.</p>
Yes	No	Don't Know / Blank	Total														
6	6	2	14														
43%	43%	14%															
Do you agree with disregarding the new Infected Blood Scheme payments?	<table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>Don't Know / Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>2</td> <td>2</td> <td>14</td> </tr> <tr> <td>72%</td> <td>14%</td> <td>14%</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	10	2	2	14	72%	14%	14%					<p>'Who will this affect? how will the need be decided? do sufferers receive higher rate benefits or additional payments'?</p> <p>'My comments have been made'.</p>
Yes	No	Don't Know / Blank	Total														
10	2	2	14														
72%	14%	14%															

<p>Do you agree with disregarding any Thalidomide Health Grant payments?</p>	<table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>Don't Know / Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>13</td> <td>1</td> <td>0</td> <td>14</td> </tr> <tr> <td>93%</td> <td>7%</td> <td>-</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	13	1	0	14	93%	7%	-		<p>None</p>															
Yes	No	Don't Know / Blank	Total																										
13	1	0	14																										
93%	7%	-																											
<p>Do you think we should choose any of the following options rather than the proposed changes to the Council Tax Support scheme?</p>	<table border="1"> <thead> <tr> <th></th> <th>Yes</th> <th>No</th> <th>Don't Know/ Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Not make the changes and use any savings for other Council services?</td> <td>4</td> <td>9</td> <td>1</td> <td>14</td> </tr> <tr> <td></td> <td>29%</td> <td>64%</td> <td>7%</td> <td></td> </tr> <tr> <td>Not make the changes and retain any savings for future use?</td> <td>3</td> <td>11</td> <td>0</td> <td>14</td> </tr> <tr> <td></td> <td>21%</td> <td>79%</td> <td>-</td> <td></td> </tr> </tbody> </table>					Yes	No	Don't Know/ Blank	Total	Not make the changes and use any savings for other Council services?	4	9	1	14		29%	64%	7%		Not make the changes and retain any savings for future use?	3	11	0	14		21%	79%	-	
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<p>If we were to choose these other options, what would be your order of preference?</p>	<table border="1"> <thead> <tr> <th></th> <th>1st</th> <th>2nd</th> <th>Don't Know/ Blank</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Not make the changes and use any savings for other Council services?</td> <td>10</td> <td>2</td> <td>2</td> <td>14</td> </tr> <tr> <td></td> <td>72%</td> <td>14%</td> <td>14%</td> <td></td> </tr> <tr> <td>Not make the changes and retain any savings for future use?</td> <td>2</td> <td>10</td> <td>2</td> <td>14</td> </tr> <tr> <td></td> <td>14%</td> <td>72%</td> <td>14%</td> <td></td> </tr> </tbody> </table>					1 st	2 nd	Don't Know/ Blank	Total	Not make the changes and use any savings for other Council services?	10	2	2	14		72%	14%	14%		Not make the changes and retain any savings for future use?	2	10	2	14		14%	72%	14%	
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<p>Any other comments on the scheme</p>	<p>'I totally trust the staff at KL & W Norfolk Council Tax Office to administer the best Balance of options for the public and the Council hard pressed finances'.</p> <p>'It is complex and expensive - surely if this is a universal system then it should be easy to manage and operate'.</p>																												

	'Several double negatives in the questions leading to possible false positive answers being given. Either this questionnaire has been designed to mislead or is deliberately jargonistic purposely'.
Other Options for the Council to consider	'I think that there are some instances where additional help is needed but I think that maybe introducing support groups to help people save money and budget better would be more beneficial in the long run'. 'none'. 'The Prime Minister said that Austerity is ending, so maybe ask her where the money you need is'?

Respondents

	Yes	No	Prefer Not To Say	Total
In receipt of Council Tax Support	2	12	0	14

	Male	Female	Prefer Not To Say	Total
Gender	4	8	2	14

	25-34	35-44	45-54	55-64	65-74	75-84	Prefer Not To Say	Total
Age	0	3	6	2	0	1	2	14

	Yes	No	Not Sure	Prefer Not To Say	Total
Disability Limiting Day to Day Activities	4	8	0	2	14

Appendix C – CTS Scheme Principles

Our current CTS scheme assesses people'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 working age and not in a protected group. If it is more than the applicable amount their CTS is reduced by 20p for every extra £1.

Our current CTS Scheme Principle:

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
- 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
- Households with at least one child under the age of 5
- Those entitled to the Disability Premium as part of their needs calculation
- Those in receipt of Carer's Allowance
- Those in the ESA Support group

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