

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Corporate Performance Panel		
DATE:	26 November 2019		
TITLE:	<b>Council Tax Support Scheme 2020/2021 – Final Scheme</b>		
TYPE OF REPORT:	Policy Development		
PORTFOLIO(S):	Housing		
REPORT AUTHOR:	Jo Stanton, Revenues and Benefits Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

### REPORT SUMMARY/COVER PAGE

#### **COUNCIL TAX SUPPORT SCHEME 2020/2021: FINAL SCHEME**

##### **PURPOSE OF REPORT/SUMMARY:**

The council must review and agree its 2020/2021 Council Tax Support (CTS) scheme for working age people by January 2020. It must first consult with the major preceptors then publish a draft CTS scheme for public consultation. The draft CTS Scheme was agreed by delegated decision and the public consultation ran from 7 October 2019 to 15 November 2019. The final CTS Scheme must then be agreed by full Council.

This report details the results of the consultation and the recommended final CTS scheme for working age people for 2020/2021.

##### **KEY ISSUES:**

The council is free to design its own CTS scheme for working age people. CTS for pension age people is paid based on a national set of rules but the council must cover the cost. As CTS is a discount it reduces the council's taxbase.

The draft CTS scheme for 2020/2021 has been agreed by delegated decision and open to public consultation. This paper details the outcome of the consultation. 8 responses were received and no changes are proposed to the draft CTS scheme as a result of the consultation.

##### **OPTIONS CONSIDERED:**

NA

##### **RECOMMENDATIONS:**

The Panel agree that the draft CTS scheme for 2020/2021 which went to public consultation is recommended to Cabinet and Council as the final CTS scheme for 2020/2021.

##### **REASONS FOR RECOMMENDATIONS:**

To ensure a CTS scheme for working age people for 2020/2021 is agreed by Council by 11 March 2020.

## **REPORT DETAIL**

### **1. Introduction**

Council Tax Support (CTS) is a reduction awarded to people on low incomes to help with the cost of their council tax bill. The council must review and agree a CTS scheme for working age people in its area each year. The CTS Scheme for 2020/2021 must be agreed by full Council by 11 March 2020, although in practice it needs to be agreed by January 2020 as it forms part of the taxbase and budget setting process.

The draft CTS scheme was agreed by delegated decision earlier in the year and has been open to public consultation. This report details the results of the consultation, the comments made and the recommended final CTS Scheme for 2020/2021.

Details on the CTS scheme can be found on the council's website at [https://www.west-norfolk.gov.uk/info/20019/council\\_tax\\_support](https://www.west-norfolk.gov.uk/info/20019/council_tax_support).

### **2. Background**

The council has to review, consult on and agree its CTS scheme for working age people for each financial year. The CTS scheme for 2020/2021 is currently under consideration.

The draft CTS scheme to go out to consultation is agreed under delegated powers. The final CTS scheme must be agreed by full Council.

### **3. Council Tax Support Scheme 2019/2020**

The principles of the current CTS scheme for 2019/2020 are included at Appendix B.

The CTS scheme uses the same calculation method as the old Council Tax Benefit scheme (which ended in 2013) and the CTS scheme for pension age people. A person's total household income is assessed against an allowed amount which is based on their circumstances. If their income is less than the allowed amount, they receive the maximum amount of CTS payable under the scheme. If their income is more than the allowed amount, the maximum CTS is reduced by 20p for every £1 over the amount allowed.

There are a number of people who are in a protected group and receive a higher amount of CTS due to their circumstances, including those receiving a Disability Premium, Carer's Allowance or who are responsible for a child under the age of five. Pension age people are paid under a national set of rules and are unaffected by any changes to our CTS scheme.

### **4. Proposed Changes for 2020/2021**

The CTS scheme for 2020/2021 is a continuation of the 2019/2020 scheme with some minor changes to keep it in line with other welfare reform amendments, both of which are beneficial to customers. The changes are:

- disregarding any income from the Windrush Compensation scheme, and
- disregarding any lump sum payments from the Windrush Compensation scheme

The draft CTS scheme was open for consultation between 7 October 2019 and 15 November 2019. The consultation responses are reviewed at section 5.

## **5. Council Tax Support Consultation**

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.

The consultation opened on 7 October 2019 and was publicised as below:

- The link to the CTS Consultation webpage was emailed to all Parish Clerks so they could encourage their residents to respond;
- An article was included in Members' Bulletin;
- A press release was issued;
- An article appeared in the Lynn News on 22 October 2019;
- The link was tweeted and included in the Council's 'Stay Updated' email;
- A piece was included in Internal Affairs.

The consultation closed on 15 November 2019. 8 responses were received, down from 14 responses last year. The responses are included in full at Appendix C. There were no comments made about the scheme in any of the consultation responses and the majority of people felt we should make the proposed changes to the scheme.

No changes to the draft CTS scheme are proposed as a result of the consultation. A report on the proposed final CTS scheme for 2020/2021 will be taken to Cabinet on 7 January 2020 and Council on 23 January 2020. The CTS scheme must be agreed before the council taxbase and the overall budget can be set.

## **6. Corporate Priorities**

The CTS scheme supports Corporate Priority 1 – Provide important local services within our available resources.

The council must agree a CTS scheme for its working age people for the forthcoming year by January 2020. CTS is a discount so it affects the taxbase in the same way as any other council tax discount. The taxbase forms part of the Financial Plan so the CTS scheme must meet the required budgetary constraints and the projections in the plan, or any shortfall will have to be found from elsewhere.

## **7. Financial Implications**

CTS is a discount and reduces the council's taxbase. Because of this the CTS scheme must be agreed before the final taxbase can be agreed, and the council's budgets finalised.

As at 1 October 2019 the overall cost of the CTS scheme for 2019/2020 is £9,360,386. This cost is split between the preceptors in proportion to their share of the council tax demand.

CTS reduces the council's taxbase by 5,187 band D equivalent properties. The current Band D charge for 2019/2020 is £116.87, so the reduction in income for the borough council for 2018/2019 is £606,205. £322,911 of this reduction is due to the CTS scheme for pension age people, paid under the national regulations. We have no powers to alter this element of the scheme or the associated costs.

9,903 people claim CTS, of which 5,109 are of pension age (so are unaffected by changes to our local scheme) and 4,794 are working age. The number of people claiming CTS, and therefore the cost of the CTS scheme, are gradually declining.

The taxbase impact of the CTS scheme for 2020/2021 is within the projections in the Financial Plan 2018/2023.

## **8. Any other Implications/Risks**

The CTS scheme for 2020/2021 is designed to meet the taxbase projections as detailed in the Financial Plan 2018/2023. However any increases in demand, changes in the composition of the caseload, for example an increase in the number of pension age claimants or a sudden economic shock, could represent a financial risk by increasing the cost of the CTS scheme and reducing the taxbase further.

The impact of the CTS scheme is, and will continue to be, reviewed monthly and is reported in the Members Bulletin in October each year.

## **9. Equal Opportunity Considerations**

The pre-screening Equality Impact Assessment (EIA) is included at Appendix A. A full EIA was completed as part of the Cabinet Report of 7 September 2016. As the changes to the scheme since then and for 2020/2021 are minor no further assessment has been completed.

## **10. Consultation**

The draft CTS scheme for 2020/2021 was open to public consultation from 7 October 2019 to 15 November 2019. The full results are summarised at section 5 and included in full at Appendix C.

## **11. Conclusion**

The Panel is asked to agree that the draft CTS scheme for 2020/2021 which went to public consultation is recommended to Cabinet and Council as the final CTS scheme for 2020/2021.

# Appendix A Pre-Screening Equality Impact Assessment



Name of policy/service/function	Local Council Tax Support Scheme 2020/2021				
Is this a new or existing policy/ service/function?	Continuation of 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. The Council is free to agree its own local scheme for the discount for working age people.				
<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 are pension age.			
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</p> <p>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	<b>Actions:</b>			
		<b>Actions agreed by EWG member:</b> .....			
<b>Assessment completed by:</b>	Joanne Stanton				
<b>Job title</b>	Revenues and Benefits Manager				
<b>Date</b>	11 October 2019				

## Appendix B: Principles of the Current CTS Scheme

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

### General CTS Scheme Rules

- In all other areas the CTS Scheme rules will follow the rules for working age Housing Benefit claims

## Appendix C – Council Tax Support 2020/2021 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>3</td> <td>4</td> <td>1</td> <td>8</td> </tr> <tr> <td>38%</td> <td>50%</td> <td>13%</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	3	4	1	8	38%	50%	13%		No comments were made
Yes	No	Don't Know / Blank	Total											
3	4	1	8											
38%	50%	13%												
Should we disregard any income received from the Windrush Compensation 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>3</td> <td>4</td> <td>1</td> <td>8</td> </tr> <tr> <td>38%</td> <td>50%</td> <td>13%</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	3	4	1	8	38%	50%	13%		No comments were made
Yes	No	Don't Know / Blank	Total											
3	4	1	8											
38%	50%	13%												
Should we disregard any lump sums received from the Windrush Compensation 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>3</td> <td>4</td> <td>1</td> <td>7</td> </tr> <tr> <td>38%</td> <td>50%</td> <td>13%</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	3	4	1	7	38%	50%	13%		No comments were made
Yes	No	Don't Know / Blank	Total											
3	4	1	7											
38%	50%	13%												
Do you think that we should make the changes proposed to the CTS 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>4</td> <td>3</td> <td>1</td> <td>8</td> </tr> <tr> <td>50%</td> <td>38%</td> <td>13%</td> <td></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	4	3	1	8	50%	38%	13%		No comments were made
Yes	No	Don't Know / Blank	Total											
4	3	1	8											
50%	38%	13%												
Any other comments	No comments were made													