

REPORT TO CABINET

Open		Would any decisions proposed :			
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide		NO	
		Need to be recommendations to Council		YES	
		Is it a Key Decision		NO	
Lead Member: Cllr Adrian Lawrence E-mail: Cllr.adrian.lawrence@west-norfolk.gov.uk		Other Cabinet Members consulted:			
Lead Officer: Jo Stanton, Revenues and Benefits Manager E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial:01553 616349		Other Officers consulted:			
Financial Implications YES	Policy/ Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening only	Risk Management Implications YES	Environmental Considerations NO

Date of meeting: 5 January 2021

COUNCIL TAX SUPPORT: FINAL SCHEME FOR WORKING AGE PEOPLE FOR 2021/2022

Summary

The council must review and agree its 2021/2022 Council Tax Support (CTS) scheme for working age people by March 2021. We 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 17 September 2020 to 2 November 2020. 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 2021/2022.

Recommendation

Cabinet recommend to Council that the draft CTS scheme for 2021/2022 which went to public consultation is adopted as the final CTS scheme for 2021/2022.

Reason for Decision

To ensure a CTS scheme for working age people for 2021/2022 is agreed by Council by 11 March 2021.

1. Background

1.1. Council Tax Support (CTS) is a reduction awarded to people on low incomes to help with the cost of their council tax bill. Since 2013 each district council is responsible for its own CTS scheme for working age people, and must review and agree the scheme each year. The CTS Scheme for 2021/2022 must be agreed by full Council by 11 March 2021, although in practice it needs to be agreed by January 2021 as it forms part of the taxbase and budget setting process.

1.2. The draft CTS scheme was agreed by a 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 2021/2022.

1.3. 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.

2. The Current Council Tax Support Scheme - 2020/2021

2.1. The principles of the current CTS scheme for 2020/2021 are included at Appendix B.

2.2. 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.

2.3. 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.

3. The Proposed Scheme - Changes for 2021/2022

3.1. The CTS scheme for 2021/2022 is a continuation of the 2020/2021 scheme with some minor changes to keep it in line with other welfare reform amendments and to simplify administration. The proposed changes are:

- **To allow us the discretion not to action changes supplied by the Department for Work and Pensions (DWP) for customers receiving Universal Credit (UC):**
 - Every time a customer's income changes their UC award is altered. This then updates their CTS award and a new council tax bill is sent. For customers who have monthly earnings this can mean a new council tax bill every month. This change

allows us discretion to decide whether to use or disregard information supplied by the DWP. The customer would still have to report changes of circumstances to us in the normal way.

- This change significantly reduces the administrative burden, and prevents constant changes to a customer's council tax account and instalments.
- **To align the additional earnings disregard with the Housing Benefit rules:**
 - Due to Covid-19 the DWP increased the amount of earnings that are not counted as income for UC and Working Tax Credit (called an Earnings Disregard). The Housing Benefit rules were also amended to ensure customers did not lose out as they have more income. This change allows the CTS rules to be amended in the same way.
 - This change prevents customers losing CTS where their Earnings Disregard is increased due to Covid-19.

3.2. The draft CTS scheme was open for consultation between 17 September 2020 and 2 November 2020. The consultation responses are reviewed at section 4.

4. Council Tax Support Consultation

4.1. 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. The consultation opened on 17 September 2020 and was publicised through social media, council emails, newsletters and parish clerks.

4.2. The consultation closed on 2 November 2020. 6 responses were received, down from 8 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 that affect the draft scheme and the majority of people felt we should make the proposed changes to the scheme.

4.3. No changes to the draft CTS scheme are proposed as a result of the consultation. The CTS scheme must be agreed before the council taxbase and the overall budget can be set.

4.4. The proposed final CTS Scheme and consultation responses were considered by the Corporate Performance Panel at their meeting of 11 November 2020. The Panel supported the recommended scheme and no changes are proposed as a result of the Panel meeting or the consultation responses. The final decision is due at full Council on 21 January 2021.

5. Policy Implications

5.1. The CTS scheme supports Corporate Priority 1 – Provide important local services within our available resources and Corporate Priority 3 – Improving social mobility and inclusion.

5.2. Due to the budget setting timetable we must agree a CTS scheme for working age people for the 2021/2022 year by January 2021.

6. Financial Implications

6.1. CTS is a discount and reduces our taxbase and those of our Preceptors. Because of this the CTS scheme must be agreed before the overall taxbase can be agreed, and our budgets finalised.

6.2. As at 1 October 2020 10,205 people claim CTS, of which 4,877 (48%) are pension age (so are unaffected by changes to our local scheme) and 5,328 (52%) are working age. The number of people claiming CTS, and therefore the cost of the CTS scheme, was gradually declining until March 2020. However Covid-19 has had a significant impact on the numbers of people claiming CTS and the caseload has increased by 10% from March 2020 to October 2020.

6.3. As at 1 October 2020 the overall cost of the CTS scheme for 2020/2021 is £9,852,000. This cost is split between the preceptors in proportion to their share of the council tax demand as a reduction in their taxbase.

6.4. CTS reduces our taxbase by 5,253 band D equivalent properties. Our current Band D charge is £130.37, so the cost of the CTS scheme for us for 2020/2021 is £684,834. £341,700 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.

6.5. The taxbase forecast for 2021/2022 includes a further 10% increase in the CTS caseload and this is factored in to the budget calculations for 2021/2022.

7. Personnel Implications

7.1. None

8. Environmental Considerations

8.1. None

9. Statutory Considerations

9.1. The council is required to agree a CTS Scheme for the 2021/2022 financial year by 11 March 2021, although in practice it has to be agreed by January 2021 as it forms part of the council's taxbase and budget setting process.

10. Equality Impact Assessment (EIA)

- 10.1. 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 2021/2022 are minor and advantageous to the customer no further assessment has been required.

11. Risk Management Implications

- 11.1. 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. This is seen with the Covid-19 outbreak where the economic impact of the measures the government has had to put in place have resulted in an increase in the caseload.
- 11.2. 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.

12. Declarations of Interest / Dispensations Granted

- 12.1. None

13. Background Papers

- 13.1. None

Appendix A: Pre-Screening Equality Impact Assessment



Name of policy/service/function	Local Council Tax Support Scheme 2021/2022				
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.			
<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>	No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by:	Joanne Stanton				
Job title	Revenues and Benefits Manager				
Date	30 November 2020				

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 (NB This is currently suspended for 2020/2021)
- 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 2021/2022 Consultation Responses

Question	Responses	Comments/Alternatives												
Should we keep the current Council Tax Support scheme?	<table border="1"> <thead> <tr> <th data-bbox="398 288 499 384">Yes</th> <th data-bbox="510 288 611 384">No</th> <th data-bbox="622 288 768 384">Don't Know / Blank</th> <th data-bbox="779 288 913 384">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="398 392 499 424">5</td> <td data-bbox="510 392 611 424">0</td> <td data-bbox="622 392 768 424">1</td> <td data-bbox="779 392 913 424">6</td> </tr> <tr> <td data-bbox="398 432 499 464"></td> <td data-bbox="510 432 611 464"></td> <td data-bbox="622 432 768 464"></td> <td data-bbox="779 432 913 464"></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	5	0	1	6					<p>'Reduce all charges to make more affordable for people'</p> <p>'Not every self employed person is able to earn the minimum wage or do the hours because of covid 19 etc. More needs to be done to help the self employed. As a single person I currently have to struggle to pay the 25percent. It should be based on your actual income and not as a presumption. It's also unfair if you are eligible for other benefits=more £ than others' <i>(Note – at present we have suspended some rules for self-employed people to make the CTS scheme more generous)</i></p>
Yes	No	Don't Know / Blank	Total											
5	0	1	6											
Should we allow: discretion not to action UC changes notified by the DWP; and to align the earnings disregard with HB	<table border="1"> <thead> <tr> <th data-bbox="398 660 499 756">Yes</th> <th data-bbox="510 660 611 756">No</th> <th data-bbox="622 660 768 756">Don't Know / Blank</th> <th data-bbox="779 660 913 756">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="398 764 499 796">5</td> <td data-bbox="510 764 611 796">0</td> <td data-bbox="622 764 768 796">1</td> <td data-bbox="779 764 913 796">6</td> </tr> <tr> <td data-bbox="398 804 499 836"></td> <td data-bbox="510 804 611 836"></td> <td data-bbox="622 804 768 836"></td> <td data-bbox="779 804 913 836"></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	5	0	1	6					<p>'Those not on benefits should also have help as some will have been impacted by covid but not eligible for any additional government support'.</p>
Yes	No	Don't Know / Blank	Total											
5	0	1	6											
Should we not change the CTS and meet additional costs from other services?	<table border="1"> <thead> <tr> <th data-bbox="398 967 499 1062">Yes</th> <th data-bbox="510 967 611 1062">No</th> <th data-bbox="622 967 768 1062">Don't Know / Blank</th> <th data-bbox="779 967 913 1062">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="398 1070 499 1102">1</td> <td data-bbox="510 1070 611 1102">4</td> <td data-bbox="622 1070 768 1102">1</td> <td data-bbox="779 1070 913 1102">6</td> </tr> <tr> <td data-bbox="398 1110 499 1142"></td> <td data-bbox="510 1110 611 1142"></td> <td data-bbox="622 1110 768 1142"></td> <td data-bbox="779 1110 913 1142"></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	1	4	1	6					<p>No comments were made</p>
Yes	No	Don't Know / Blank	Total											
1	4	1	6											

Should we not change the CTS and meet additional costs from savings?	<table border="1"> <thead> <tr> <th data-bbox="389 186 497 288">Yes</th> <th data-bbox="499 186 618 288">No</th> <th data-bbox="620 186 766 288">Don't Know / Blank</th> <th data-bbox="768 186 916 288">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="389 290 497 325">1</td> <td data-bbox="499 290 618 325">4</td> <td data-bbox="620 290 766 325">1</td> <td data-bbox="768 290 916 325">6</td> </tr> <tr> <td data-bbox="389 327 497 362"></td> <td data-bbox="499 327 618 362"></td> <td data-bbox="620 327 766 362"></td> <td data-bbox="768 327 916 362"></td> </tr> </tbody> </table>	Yes	No	Don't Know / Blank	Total	1	4	1	6					No comments were made
Yes	No	Don't Know / Blank	Total											
1	4	1	6											
Any other comments	No comments were made													