

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: E-mail: Cllr Adrian Lawrence Cllr.adrian.lawrence@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted: Corporate Performance Panel			
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
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 7 January 2020

COUNCIL TAX SUPPORT: FINAL SCHEME FOR WORKING AGE PEOPLE FOR 2020/2021

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.

Recommendation

Cabinet recommend to Council that the draft CTS scheme for 2020/2021 which went to public consultation is adopted as the final CTS scheme for 2020/2021.

Reason for Decision

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

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. 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.
- 1.2. 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.
- 1.3. The draft CTS scheme was agreed by delegated decision earlier in the year and has been open to public consultation. The final CTS scheme must be agreed by full Council. This report details the results of the consultation, the comments made and the recommended final CTS Scheme for 2020/2021.
- 1.4. 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. Council Tax Support Scheme 2019/2020

- 2.1. The principles of the current CTS scheme for 2019/2020 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. Proposed Changes for 2020/2021

- 3.1. 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

3.2. The draft CTS scheme was open for consultation between 7 October 2019 and 15 November 2019. 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. A CTS entitlement calculator was included so people could calculate the impact of the proposals on their own CTS award if appropriate.

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

4.3. 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.

4.4. 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.

4.5. The proposed final CTS Scheme and consultation responses were considered by the Corporate Performance Panel at their meeting of 26 November 2019. The Panel supported the recommended scheme and no changes are proposed as a result of the Panel meeting or the consultation responses.

5. Policy Implications

5.1. The CTS Scheme for working age people for 2020/2021 is a continuation of an existing policy. It supports Corporate Priority 1 – Provide important local services within our available resources.

6. Financial Implications

- 6.1. 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.
- 6.2. 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.
- 6.3. 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 2019/2020 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.
- 6.4. 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.
- 6.5. The taxbase impact of the CTS scheme for 2020/2021 is within the projections in the Financial Plan 2018/2023.

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 2020/2021 financial year by 11 March 2020, although in practice it has to be agreed by January 2020 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 2020/2021 are minor no further assessment has been required.

11. Risk Management Implications

- 11.1. 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.

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 2020/2021				
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	26 November 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>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%												
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
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4	3	1	8											
50%	38%	13%												
Any other comments	No comments were made													