

CABINET MEMBERS DELEGATED DECISION

Open		Would any decisions proposed :		
Any especially affected Wards	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 Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Adrian Lawrence		
		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If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s) N/A				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: 13 th October 2020		Date of meeting decision to be taken: 20 th October 2020		
Deadline for Call-In: 27 th October 2020				

COUNCIL TAX SUPPORT SCHEME 2021/2022: 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. It must first decide on a draft CTS scheme which is open for public consultation, and then it must agree a final CTS scheme, taking into account the consultation responses.

In previous years the draft CTS scheme for public consultation was agreed by Cabinet. In 2017, authority was delegated to the Leader, in consultation with the relevant Portfolio Holder and s151 Officer, to agree the draft scheme.

The draft CTS scheme for 2021/2022 is the 2020/2021 CTS scheme, incorporating some amendments to reflect other welfare changes and to simplify administration.

Recommendation

The proposed draft CTS Scheme for 2021/2022 is agreed as the CTS scheme to go to public consultation.

Reason for Decision

To ensure a CTS scheme for 2021/2022 is agreed by full Council by the deadline.

1. Background

- 1.1. When deciding its CTS scheme for working age customers the council must first consult with its 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. The council's working age CTS scheme principles have remained largely unchanged since the scheme started in 2013, and are included at Appendix A. During this time the 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.

2. Delegated Power

Cabinet 28 November 2017 Minute CAB93:

- 2.1. 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. There are alternative CTS scheme models that can be considered for our working age scheme. However these would involve significant changes and in the present climate a fundamental review of the scheme is not recommended

4. Proposed Draft CTS Scheme for 2021/2022 to go to consultation

- 4.1. The proposed draft CTS scheme for 2021/2022 is a continuation of the 2020/2021 CTS scheme with some amendments to simplify administration and keep the scheme in line with the Housing Benefit rules.
- 4.2. The rapid increase in Universal Credit claims due to the Covid-19 crisis means we now receive a large amount of automated benefit information from the Department for Work and Pensions (DWP). This can cause multiple changes in a customer's CTS entitlement which in turn leads to constant changes in their Council Tax liability and instalments and multiple bills being sent during the year.
- 4.3. The proposed change will allow us the option amend our CTS scheme to disregard such changes and only to change the CTS for an applicant on Universal Credit where we feel that the change is significant.
- 4.4. In addition, due to the Covid-19 crisis, the DWP increased the additional earnings disregard for Housing Benefit to compensate for the emergency increase in Working Tax Credit and Universal Credit. Housing Benefit was adjusted to prevent any potential reduction in entitlement.
- 4.5. This proposed change would allow for a similar adjustment to be made to the CTS scheme and prevent any reduction in entitlement.

4.6. Pension age claims continue to be paid under the national CTS scheme regulations, although the council still has to meet the cost.

5. Consultation

5.1. Norfolk County Council and the Norfolk Police and Crime Commissioner have been contacted for their comments on the scheme. Their responses are awaited

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 via our Twitter account.

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 a continuation of the existing CTS scheme principles.

7. Impact and Implications of Covid-19

7.1. The coronavirus pandemic has made a marked impact on the economy and the jobs market. Businesses have closed and employees made redundant.

7.2. This translates into an increase in demand for welfare benefits, including CTS. Our working age CTS caseload has increased by 10% since 9 March 2020, rising from 4,868 claims to 5,373 claims at the end of August 2020. Some of this increase is offset by a reduction in Pension Age CTS claims, down from 4,958 claims on 9 March 2020 to 4,873 at the end of August 2020. We are expecting further increases in the working age CTS caseload as the furlough scheme ends in October 2020.

8. Financial Implications

8.1. As at 31 August 2020 the total cost of our CTS scheme in 2020/2021 is currently £9.892m across 10,246 claims. £4.918m (49.7%) of the cost is for pension age claims, and £4.973m (50.3%) is for working age claims. As CTS is a discount it reduces the council's taxbase by the equivalent of 5,274 band D properties.

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. Personnel Implications

9.1. None

10. Statutory Considerations

8.1 The Council is required to agree a CTS scheme for 2021/2022 by March 2021.

11. Equality Impact Assessment (EIA)

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

12. Risk Management Implications

12.1. The CTS scheme for 2021/2022 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.

12.2. 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.

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

13. Declarations of Interest / Dispensations Granted

13.1. None

14. Background Papers

14.1. None

[Redacted Signature]

18/9/2020
Date

(Cllr Brian Long, Leader of the Council)

[Redacted Signature]

5/10/2020
Date

Signed
(Cllr Adrian Lawrence, Cabinet Member for Housing)

[Redacted Signature]

17 Sept 2020
Date

Signed
(Michelle Drewery, s151 Officer)

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn &
West Norfolk



Name of policy	Council Tax Support Scheme 2021/2022				
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.				
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?	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>Actions: 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>Actions agreed by EWG member:</p>			
Assessment completed by: Name Jo Stanton					
Job title Revenues and Benefits Manager	Date 14 September 2020				

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. If it is more than the applicable amount their CTS is reduced by 20p for every extra £1 of income.

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