

1. **Draft Council Tax Support Scheme 2023/2024** (Pages 2 - 9)

## CABINET MEMBERS DELEGATED DECISION

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	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 Stuart Dark E-mail: <a href="mailto:cldr.stuart.dark@west-norfolk.gov.uk">cldr.stuart.dark@west-norfolk.gov.uk</a>		Other Cabinet Members consulted: Cllr Sam Sandell		
		Other Members consulted:		
Lead Officer: Jo Stanton E-mail: <a href="mailto:joanne.stanton@west-norfolk.gov.uk">joanne.stanton@west-norfolk.gov.uk</a> 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If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s) N/A				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: 11 <sup>th</sup> October 2022		Date of meeting decision to be taken: 18 <sup>th</sup> October 2022		
Deadline for Call-In: 25 <sup>th</sup> October 2022				

## COUNCIL TAX SUPPORT SCHEME 2023/2024: 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. We must first decide on a draft CTS scheme which is open for public consultation, and then must agree a final CTS scheme, taking into account the consultation responses.

Since 2017, authority has been delegated to the Leader, in consultation with the relevant Portfolio Holder and s151 Officer, to agree the draft CTS scheme to go to consultation.

The draft CTS scheme for 2023/2024 is a continuation of the 2022/2023 CTS scheme. No major changes are proposed for the coming year but there are two minor amendments to reflect changes during 2022/2023.

### Recommendation

The proposed draft CTS Scheme for 2023/2024 is agreed as the CTS scheme to go to public consultation.

### Reason for Decision

To ensure a CTS scheme for 2023/2024 is agreed by full Council by the deadline.

## **1. Background**

- 1.1. When deciding our CTS scheme for working age customers we must first consult with our 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. Our working age CTS scheme principles are included at Appendix A. These have remained largely unchanged since the scheme started in 2013 except for an increase in the maximum level of support from 1 April 2022, when the limit was raised from 75% to 84%. These principles are based on the rules for the old Council Tax Benefit scheme and use many of the same principles as the ongoing Housing Benefit scheme. This makes the scheme easier for our customers to understand, and more straightforward to administer.
- 1.3. Since 2013 the working age CTS 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. There have been no significant welfare reform changes in the current year that require the CTS scheme to be updated for 2023/2024 and only two minor updates are proposed at section 4.
- 1.4. CTS for pension age people is paid under national regulations. We are responsible for the administration of the pension age scheme, and we meet the cost of these claims, however central government is responsible for the rules of the scheme.

## **2. Delegated Power**

### **2.1. Cabinet 28 November 2017**

#### **Minute CAB93:**

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. We could consider changes to the principles of the existing CTS scheme model, for example to award people more CTS by increasing the maximum weekly council tax bill that is paid under the scheme. At present we will pay up to 84% of the weekly council tax bill for non-protected groups but this could be increased. This would increase the incomes of local residents but would reduce our taxbase, increasing the cost to us and our precepting authorities.
- 3.2. Increasing the CTS scheme to 100% of the weekly council tax bill will cost an additional £255,000. This cost is shared between the preceptors in proportion to their share of the council tax bill. This extra cost would have to be found from within the existing budgets for each of the authorities. This would also mean we are out of line with other Norfolk authorities as all other authorities except one currently ask for a contribution from their working age CTS claimants.
- 3.3. Alternatively, we could consider reducing the cost of the CTS scheme by reviewing the Protected Groups as listed in Appendix A (with the exception of Pension Age people). We could consider removing some protections and

only paying up to a the same 84% of the weekly council tax bill as for non-protected groups.

- 3.4. To remove all the protections would lower the cost of our scheme by £688,000, reducing the cost to us and our preceptors. However, it would mean that vulnerable people in the Protected Groups no longer benefit from a more generous scheme and will pay more council tax.
- 3.5. There are also alternative CTS scheme models that can be considered for our working age scheme, such as a banded discount scheme, where a set percentage discount is awarded based on a person's income and household.
- 3.6. Changing our scheme to an alternative model will involve significant changes and financial disruption for our customers, and inevitably there will be winners and losers. It would also mean the rules for working age customers were different to those for pension age customers, and different to the rules for Housing Benefit.

#### **4. Proposed Draft CTS Scheme for 2023/2024 to go to consultation**

- 4.1. It is proposed to keep the current CTS Scheme principles for the draft scheme to go to consultation. No major changes are proposed.
- 4.2. Two minor updates are proposed to reflect wider welfare reform changes:
  - 4.2.1. Payments made as a 'thank you' payment under the government's Homes for Ukraine scheme will be disregarded as income and capital in our CTS Scheme
  - 4.2.2. Any other government payments made under a financial assistance scheme, introduced during a financial year, and disregarded for Housing Benefit purposes, will also be disregarded for the purpose of our CTS scheme.
- 4.3. No other changes are being considered and the rest of the proposed draft CTS scheme for 2023/2024 is a straightforward continuation of the 2022/2023 CTS scheme.
- 4.4. The draft CTS Scheme going out to consultation is only for working age people. Pension age claims continue to be paid under the national CTS scheme regulations.

#### **5. Consultation**

- 5.1. Norfolk County Council and the Norfolk Police and Crime Commissioner have been contacted for their comments on the scheme. Norfolk County Council responded on 22 August 2022 to confirm they support the proposal and have no comments. We are waiting for a response from the Police.
- 5.2. The draft CTS scheme public consultation will run for six weeks during September and October 2022. 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 social media, and will also be sent to Members and Parish / Town Councils to draw to the attention of their local residents.
- 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 will be continuation of the existing CTS Scheme with some minor updates to reflect wider changes.

## 7. Financial Implications of the Proposal

7.1. No major changes to the CTS Scheme are envisaged, so there are no direct financial implications as a result of the draft scheme proposal.

7.2. There has been growth in the taxbase again this year, mostly due to an increase in new domestic properties being added to the council tax list and a reduction in the numbers of people claiming CTS. The taxbase forecast for 2023/2024 shows growth ahead of the taxbase in the Financial Plan.

## 8. Current Position

8.1. On 1 August 2022 the total cost of our 2022/2023 CTS scheme is £9.92m across 9,523 claims, and reduces our taxbase by the equivalent of 4,921 band D properties. This reduction in taxbase equals to a cost of £685,840 to the borough council (4,921 x £139.37). This is a reduction on the cost for 2021/2022.

	<b>Claims</b>	<b>Cost</b>	<b>Average Cost Per Claim</b>
Pension Age Claims	4,420 (46%)	£4.82m (48%)	£1,090
Working Age Claims	5,103 (54%)	£5.10m (52%)	£999
<b>Total</b>	<b>9,523</b>	<b>£9.92m</b>	<b>£1,041</b>

8.2. The CTS Hardship scheme for working age people is also being continued into 2022/2023. This scheme started in 2020/2021 and is funded by a grant from central government.

8.3. The CTS Hardship scheme gives eligible households a discount on their council tax bill of £150 in 2020/2021, £100 in 2021/2022 and £75 in 2022/2023. It means that the borough council's element of the council tax charge for over 90% of eligible households is fully remitted by the hardship grant, and in most cases it also makes a further contribution to the cost of other preceptor's services.

8.4. 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.

8.5. 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**

- 10.1. The Council is required to agree a CTS scheme for 2023/2024 by March 2022, although in practice it must be agreed before the taxbase can be set in January 2023 to allow the budget and council tax setting process to proceed to timetable.

## **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 2023/2024 is designed to meet the projections as detailed in the Financial Plan. However, any increases in demand due to an economic downturn, 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 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

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Signed Date  
(Cllr Stuart Dark, Leader of the Council)

.....  
Signed Date  
(Cllr Sam Sandell, Cabinet Member for People and Communities)

.....  
Signed Date  
(Michelle Drewery, s151 Officer)

# Pre-Screening Equality Impact Assessment

Borough Council of  
King's Lynn &  
West Norfolk



Name of policy	Council Tax Support Scheme 2023/2024				
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.				
<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 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><b>Actions:</b> 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><b>Actions agreed by EWG member:</b> .....</p>			
<b>Assessment completed by:</b> <b>Name</b> Jo Stanton					
<b>Job title</b> Revenues and Benefits Manager	<b>Date</b> 5 August 2022				

**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 16% 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 Principles:

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 84% 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 (under central government rules)
- Households with at least one child under the age of 5
- Those entitled to the Disability Premium, the Disabled Child Premium or the Carer Premium as part of their needs calculation
- Those in receipt of Carer's Allowance, Attendance Allowance or Constant Attendance Allowance
- Those receiving Working Tax Credit including a disability element
- Those in the Employment and Support Allowance Support group
- Those in receipt of Disability Living Allowance or Personal Independence Payment

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