

<b>Bath &amp; North East Somerset Council</b>		
MEETING MAKER:	<b>Council</b>	
MEETING DATE:	<b>14<sup>th</sup> November 2019</b>	
TITLE:	<b>The Local Council Tax Reduction Scheme 2020/2021</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> <ul style="list-style-type: none"> <li>- Council Tax Reduction Scheme Policy 2020/21</li> <li>- Equality Impact Assessment Council Tax Reduction Scheme 2020/2021</li> <li>- Summary of responses to Council Tax Reduction Consultation 2020/2021</li> </ul>		

## **1 THE ISSUE**

- 1.1 The Council must decide the details for the Local Council Tax Reduction scheme; known locally and referred to in this report as the Council Tax Support scheme for 2020/2021. There will be some minor changes to the rules which will resolve some anomalies and assist with the smoother administration of the scheme.

## **2 RECOMMENDATION**

- 2.1 Council is asked to approve the attached Council Tax Reduction Scheme Policy for 2020/21.

## **3 THE REPORT**

- 3.1 Council Tax Support helps people on a low income by reducing the amount of Council Tax they have to pay. All councils introduced local reduction schemes from 2013 following the abolition of Council Tax Benefit. Councils are allowed some discretion over the rules of their scheme although there are certain rules which must be included; these are set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. One of the main principles of the Prescribed Requirements regulations is that people who have achieved Pensionable age should in effect be treated under the same rules which applied under Council Tax Benefit.

3.2 The council has introduced several changes to the way in which its scheme operates since 2013, with the most notable change being that all working age claimants would have to make a contribution to their council tax unless they or their children were in receipt of certain disability benefits; in which case they would broadly be treated under the same rules which applied to pensioners. Another notable change was the introduction of income-bands for deciding on the level of reduction for claimants who receive Universal Credit. This latter change also saw the council adopt the income and savings calculation which the Department for Work and Pensions uses in the assessment of the claimant's Universal Credit.

3.3 The current rules of the scheme are responsive to resident's changes in circumstances, but it has become apparent that some minor changes should be made which are as follows;

**3.4 The introduction of a rule which permits the same level of protection to claimants where it is their partner who receives the Support component of Employment Support Allowance. The current rules are that the protection only applies where the claimant receives this benefit.**

The rationale behind this proposal is that it could be seen as unfair that two households who receive exactly the same type and amount of benefits could be treated differently under the rules of the scheme. This change would remedy any unfairness caused and would affect a relatively low number of households (less than 50).

**3.5 The introduction of a rule which allows the council to write off Council Tax Support paid in error where it was the council's mistake which caused the error and the claimant did not know about or contribute towards the error.**

The rationale behind this decision is that it aligns the rules for Council Tax Support with those for Housing Benefit, and it would prevent any irrational decisions being made where an unrecoverable overpayment of Housing Benefit was written off but the corresponding Council Tax Support recharge was still payable by the claimant.

**3.6 The introduction of a rule which will allow the council to reduce any additional council tax payable above the 100% charge on empty properties where the property is undergoing disabled adaptations and the council has agreed to pay a Disabled Facilities Grant.**

The rationale behind this is that it would be reasonable for properties in this situation to be vacant whilst the work is ongoing and the council should not look to impose a council tax premium in this situation in order to encourage re-occupation.

**3.7 The introduction of a rule which would allow the council to modify the savings and capital limit notified by the Department for Work and Pensions in the assessment of the claimant's Universal Credit award where the council is satisfied that the claimant and partner actually possesses £6,000.00 or more.**

The cut off point for receiving any Council Tax Support is £6,000.00 where the claimant also receives Universal Credit. By allowing the council to modify the capital amount it would enable the council to terminate Council Tax Support quickly, and to not have to direct the claimant to notify the Department of Work and Pensions of changes in savings before the council could issue a revised council tax bill.

## **4 STATUTORY CONSIDERATIONS**

4.1 Council is required to agree the Local Council Tax Reduction Scheme in accordance with S13 A (1a) (2a) and Schedule 1A of the Local Government Finance Act 1992.

- 4.2 The Equality Act 2010 requires the council to comply with the public sector equality duty. The duty aims to avoid discrimination by considering inequality, when the Council makes decisions about how it implements its policies. A short Equalities Impact Assessment on the proposed changes to the policy has been conducted and is included with the background papers. Member's attention is drawn to this.
- 4.3 A short public consultation exercise and consultation with the Fire and Police Authorities on the proposed scheme was carried out, as is required by Schedule 1A of the Local Government Finance Act 1992.

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 Council Tax Reductions are accounted for within the Collection Fund and impact on Bath & North East Somerset Council, Town & Parish Council's and Major Precepting bodies including Police and Fire Authorities. Details from the approved scheme are required in order to estimate the relevant tax base for the Billing Authority which must be determined by the 31<sup>st</sup> January preceding the relevant Financial Year.
- 5.2 At the start of 2019/20 Council Tax Reductions awarded amounted £9.2m under the current scheme, this was roughly split 60 – 40 between working age and pensioner claimants respectively. The costs of the proposed scheme for 2020/2021 will rise in line with any general increase in council tax and the additional changes to the scheme outlined in section 3 of this report, which are estimated to cost £8,500. If the proposed changes are agreed, the cost impact will feed into the 2020/21 Council Tax income estimates used as part of setting the revenue budget.

## **6 RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

## **7 CLIMATE CHANGE**

- 7.1 This issue does not have any impact on climate change.

## **8 OTHER OPTIONS CONSIDERED**

- 8.1 The council could adopt the same scheme which applied for 2019/20, but this would not address some of the irregularities within the rules of the current scheme.

The council could introduce more radical changes to the scheme; for example in further expanding the protections afforded to residents who receive certain disability benefits to those who are in extreme poverty, but these changes would need to be carefully planned and costed and a more in depth public engagement activity would need to be undertaken. The scheme will be kept under review for future changes as local and national welfare policy develops.

## **9 CONSULTATION**

- 9.1 A public consultation exercise was conducted between 22<sup>nd</sup> August 2019 and the 3<sup>rd</sup> October 2019.

9.2 Although the response was rather low, only two of the questions asked were responded to negatively. All other responses were positive to the proposed changes. A summary of the questions and answers is included in the appendix.

9.3 The Fire and Police authorities have also been consulted as is required by Schedule 1A of the Local Government Finance Act 1992.

9.4 The draft scheme has also been published on the council's website.

9.5 The S151 Officer and the Director of Legal Services have also been consulted on these proposals.

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<b>Background papers</b>	None
<b>Please contact the report author if you need to access this report in an alternative format</b>	