

**URN:** 20-082

**Subject:** Council Tax Support Scheme 2021/22

**Report to:** Policy & Resources Committee 17<sup>th</sup> November 2020  
Council 26<sup>th</sup> November 2020

**Report by:** Miranda Lee, Head of Customer Services

## **SUBJECT MATTER**

This report seeks Council approval of the Local Council Tax Support Scheme for 2021/22

## **RECOMMENDATION**

That the Committee:

Endorses the recommendation to continue with the existing scheme for 2021/22 which is subject to Council approval - a maximum award of 91.5% of the Council Tax Liability for Working Age but including:

- 1) Automatic assessment of entitlement and award of Council Tax Support based on receipt of a Universal Credit notification
- 2) Council Tax Support claims to remain open for a period of 26 weeks from the date that a claim becomes 'nil qualifying'
- 3) Exemption for customers who are entitled to the Disability Premium, Enhanced Disability Premium or Severe Disability Premium to the self-employed minimum income floor calculation

## **1. Introduction**

- 1.1 The Committee Report of the 21<sup>st</sup> July 2020 requested permission to commence consultation in relation to the 2021/22 Local Council Tax Support Scheme.
- 1.2 In April 2013 Council Tax Benefit was replaced with a new Local Council Tax Support Scheme. This followed the Government announcement in the Spending Review 2010 that financial support for council tax would be localised.
- 1.3 Initially the amount of funding provided to local authorities to run the scheme was approximately 10% less than what was previously spent on the council tax benefit scheme. For the first 2 years funding had been specifically ring-fenced for allocation towards the scheme.
- 1.4 In 2014, the Government announced that future funding towards the Council Tax Support Scheme would be included within the overall Revenue Support Grant and would not be separately identified or ring-fenced from within the grant.

1.5 In designing a local scheme for 2021/22 the council has to consider:

- The amount of funding the Council decides to allocate towards the scheme
- Support for pensioners must be protected and would not be affected by the local scheme meaning that the rules around a localised scheme would only apply to those of working age

## **2. Current Position**

2.1 Consultation in relation to the 2021 scheme has now closed with only 12 individual responders taking part in the survey.

2.2 As in previous years the consultation was available through the council's website. Consultation was based on retaining the existing scheme for 2021/22 for a working age with pensioners being protected.

2.3 The consultation ran for a 12-week period. Due to the lack of response the results of the consultation are negligible in helping to determine the scheme, however out of the responses received most favoured retaining the existing scheme for a further year and were in favour of the additional changes. The results of the consultation are contained within Appendix 1.

## **3. Options Considered for the 2021/22 Scheme**

3.1 The following options have been considered for the 2021/22 scheme with the aim to keep the scheme like previous years, however, to include:

- Introduction of a clause to enable an automatic assessment of entitlement and award of council tax support based on receipt of a Universal Credit notification without the need for the customer to submit a separate application for council tax support (this should help to increase take up and reduce the time in which an assessment can be made as well as removing the necessity for the customer to submit a separate claim)
- Introduction of a new clause to enable all council tax support claims to remain open for a period of 26 weeks from the date that a claim becomes 'nil qualifying' due to a change of circumstances (this means should circumstances change again within the 26 week period, the customer will not need to submit a new claim)
- Introduction of an exemption for customers who are entitled to the Disability Premium, Enhanced Disability Premium or Severe Disability Premium to the self-employed minimum income floor calculation which is based on the minimum wage

## **4. Requirement for Change**

4.1 Schedule 1A of the Local Government Finance Act 1992 states:

1. For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme: and
2. the authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

- 4.2 As each Local Authority decides their local scheme it is possible that other nearby Local Authorities can have different types of scheme with varying financial implications for customers.

## 5 Financial Implications

- 5.1 Initially an element of Government funding for Local Authorities to administer their local schemes was funded from within the Revenue Support Grant (RSG).
- 5.2 Since the introduction of Business Rates Retention, Great Yarmouth Borough Council has been part of the Norfolk Business Rates Pool which enables growth from Business Rates to be retained. Since joining the Pool no funding from the RSG has been received. GYBC has been invited to form a business rates pool for 2021/22, however, there is an option to revoke pool arrangements following the publication of the provisional local government finance settlement.
- 5.3 As Council Tax Support is a discount it reduces the Councils tax base, along with a reduction in the tax base for Norfolk County Council and the Norfolk Police & Crime Commissioner.
- 5.4 The individual Council needs to decide how much of this grant will be used to cover the cost of the 2021/22 scheme.
- 5.5 For illustrative purposes the following gives the financial breakdown of the cost for the recommended scheme.

**Table 1**

Estimated cost of scheme	<b>£9,321,793</b>
Precept Split	
Norfolk County Council	£7,084,563
Police	£1,305,051
GYBC	£838,961
Parish	£93,218

### Council Tax Hardship Fund

- 5.6 As part of a range of additional funding and support measures introduced by the Government to assist through the COVID-19 pandemic, GYBC received £1,305,536 to administer a Council Tax Hardship Fund. So far £823,694 has been allocated to assist people with their Council Tax payments and for wider welfare provision. The balance remaining is £481,842.
- 5.7 Any surplus of funding remaining from this financial year can be rolled forward to 2021/22.

## 6 Risk Implications

### The cost of the scheme

- 6.1 Whilst we can predict anticipated costs of the scheme for 202/22 based on continuing with the existing scheme for 2020/21, any increases in demand, changes in composition of current

caseload or unforeseen changes to other welfare benefits during the year could represent a financial risk by increasing the cost of the overall scheme. Ongoing uncertainty of financial effects on residents through the COVID-19 pandemic could also increase the demand on this scheme.

### **Council Tax Collection**

- 6.2 Collection rates of council tax have been impacted with the introduction of the localised scheme but not as much as first anticipated. Tax base has been calculated to take into consideration the costs of the Council Tax Support Scheme with some provision for impact on collection rates. Ongoing uncertainty of financial effects on residents through the COVID-19 pandemic will could continue to impact collection.

## **7 Recommendations**

- 7.1 To continue with the existing scheme for 2021/22 - a maximum award of 91.5% of the Council Tax Liability for Working Age but including:
- 1) Automatic assessment of entitlement and award of Council Tax Support based on receipt of a Universal Credit notification
  - 2) Council Tax Support claims to remain open for a period of 26 weeks from the date that a claim becomes 'nil qualifying'
  - 3) Exemption for customers who are entitled to the Disability Premium, Enhanced Disability Premium or Severe Disability Premium to the self-employed minimum income floor calculation

*Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?*

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	S13a Council Tax Support Scheme
Financial Implications (including VAT and tax):	Yes, as outlined
Legal Implications (including human rights):	Schedule 2 Local Government Finance Act 1992
Risk Implications:	Yes, as outlined
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	

# Council Tax Support 2021/22

## 1. Council Tax Support Consultation Introduction



1. Have you read the background information about the Council Tax Reduction Scheme?									
								Response Percent	Response Total
1	Yes				<div><div></div></div>			91.67%	11
2	No				<div><div></div></div>			8.33%	1
Statistics	Minimum	1	Mean	1.08	Std. Deviation	0.28		answered	12
	Maximum	2	Variance	0.08	Std. Error	0.08		skipped	0

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2. Do you think the Council should retain the current scheme for 2021?									
								Response Percent	Response Total
1	Yes				<div><div></div></div>			66.67%	8
2	No				<div><div></div></div>			8.33%	1
3	Don't know				<div><div></div></div>			25.00%	3
Statistics	Minimum	1	Mean	1.58	Std. Deviation	0.86		answered	12
	Maximum	3	Variance	0.74	Std. Error	0.25		skipped	0

<p><b>3. We are considering changing our scheme to include an automatic Council Tax Support assessment based on receiving a Universal Credit notification, without the need of completing an application form. The benefits of this are: (1) There would be no requirement to complete an application for council tax support. (2) This would help to reduce the time to assess entitlement to a council tax support award. This will not disadvantage any customers: Do you think that the council should include this in the scheme?</b></p>								
							<b>Response Percent</b>	<b>Response Total</b>
1	Yes	<div><div style="width: 83.33%;"></div></div>					83.33%	10
2	No	<div><div style="width: 16.67%;"></div></div>					16.67%	2
3	Don't know						0.00%	0
<b>Statistics</b>	Minimum	1	Mean	1.17	Std. Deviation	0.37	answered	12
	Maximum	2	Variance	0.14	Std. Error	0.11	skipped	0
Comments: (1)								
1	25/09/2020 09:08 AM ID: 148866615		I'm on esa support and disability allowance and pip. My hubby is in seasonal work and they will finish him any time so we are behind on mortgage by 6 months and I'm trying so hard to pay this £118 every month I feel that it should be reduced when you are getting 8/18 people living in sublet condition that will pay less as their more in the household					

**4. Our current scheme allows Universal Credit customers to allow their Council Tax Support claim to remain open for a maximum of 26 weeks from the date a claim is no longer entitled to an award due a change in circumstance. This currently does not apply to non-Universal Credit customers. For fairness and consistency, we are considering a change to our scheme to allow all Council Tax Support claims that do not qualify at the time to remain open for a maximum of 26 weeks. The benefits of this are: (1) This will mean that the scheme is fairer and consistent to all applicants. (2) Individual changes of circumstances can be informed as they occur without the need of a new application, during this period. This will not disadvantage any customers. Do you agree with this change to the scheme?**




							Response Percent	Response Total
1	Yes						91.67%	11
2	No						0.00%	0
3	Don't know						8.33%	1
<b>Statistics</b>	Minimum	1	Mean	1.17	Std. Deviation	0.55	answered	12
	Maximum	3	Variance	0.31	Std. Error	0.16	skipped	0

**5. We are considering changing our scheme for self-employed customers who have a minimum income floor applied to their assessment to protect vulnerable groups. For example, a self-employed customer who has an entitlement to a disability premium. Do you think we should introduce a protection for certain vulnerable groups?**

							Response Percent	Response Total
1	Yes						91.67%	11
2	No						8.33%	1
<b>Statistics</b>	Minimum	1	Mean	1.08	Std. Deviation	0.28	answered	12
	Maximum	2	Variance	0.08	Std. Error	0.08	skipped	0

Comments on any other groups to consider (2)

1	31/07/2020 15:30 PM ID: 145908229	After receiving a letter before the Coronavirus pandemic stating that you are now presuming everyone is on a 30 hour minimum wage contract so will no longer be getting council tax help. I was shocked as I am nowhere near earning that and would not need any help if I was, So it seems silly to me to assume this is the case as this is not the case in my situation or in plenty of other peoples situations. Most people work between 5 - 20 Hours a week so would not be reaching the minimum floor anyway. I feel this is unfair not just to me but to others also. Luckily I am still currently getting help due to the Coronavirus situation and being on universal credit until I am able to get back to my Self employed work but I am very Anxious about what will happen when all this is over and things get back to normal. This Minimum Floor needs reassessing as most people dont earn anywhere near this and as stated before would not need help if they did.
2	25/09/2020 09:08 AM ID: 148866615	I'm in the highly vulnerable and sheild section hubby works on a camp so he has to be so careful as I'm on a lot of meds and have emu nine system and injections surpress it so a cold can knock me off my feet I'm not ableist to work so have to rely on hubby to bring home the wages

6. What is your age group?							
						Response Percent	Response Total
1	under 18					0.00%	0
2	18-24					0.00%	0
3	25-34					25.00%	3
4	35-54					66.67%	8
5	55+					16.67%	2
Statistics	Minimum	3	Mean	3.92	Std. Deviation	0.62	answered
	Maximum	5	Variance	0.38	Std. Error	0.17	skipped