

Subject: COUNCIL TAX SUPPORT (REDUCTION) SCHEME 2020

Report to: ELT 1<sup>st</sup> July 2019  
Policy & Resources Committee 23<sup>rd</sup> July 2019

Report by: Miranda Lee Head of Customer Services

### **SUBJECT MATTER/RECOMMENDATIONS**

To seek permission to consult on Great Yarmouth Borough Council's Council Tax Support (Reduction) Scheme for 2020

### **RECOMMENDATIONS**

To grant permission to consult on retaining the current scheme for 2020 but including the further options as outlined in section 3.2

## **1. INTRODUCTION/BACKGROUND**

- 1.1 On the 1<sup>st</sup> April 2013 the Council introduced a new Local Council Tax Support (Reduction) Scheme which replaced Council Tax Benefit following the Government announcement in the Spending Review 2010 that financial support for council tax would now be localised.
- 1.2 In designing a local scheme the council had to consider:
  - The amount of funding provided to local authorities to run a localised scheme would be approximately 10% less than was spent on the previous Council Tax Benefit 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 customers of working age.
- 1.3 The Great Yarmouth Borough Council Scheme for 2019 was introduced following a consultation with customers, stakeholders and other organisations. The scheme was decided by Council on the 13<sup>th</sup> December 2018.

## **2. CURRENT SCHEME**

- 2.1 With minimal changes to the scheme since its first introduction, financial assistance for those classed as working age customers is limited to a maximum of 91.5% of their council tax liability. Those customers of pension age are unaffected by the Council Tax Reduction Scheme and continue to receive the same financial level of assistance as they did under the Council Tax Benefit Scheme.

## **3. REQUIREMENTS FOR FURTHER CONSULTATION**

- 3.1 There is a legal requirement to conduct a further consultation where the Council is considering changing the Council Tax Support (Reduction) Scheme for future years. It is considered

best practice to consult each year even where the Council decides to retain the existing scheme for the following year.

- 3.2 Options to consult on and consider include retaining the current scheme with only marginal adjustments to keep the scheme up to date and aligned to other welfare benefits.

Further options include:

- Extend the period from which we can award a backdate of council tax support to 12 months (longer for exceptional circumstances to be considered case by case) (current 3 month by discretion)
- The ability to hold smaller adjustments of council tax support entitlement until such a time that a revised bill should be practically issued
- Introduce a flat rate non-dependent deduction of £5.00 with protection for customers where they or their partner is in receipt of Disability Living Allowance or Personal Independent Payment.

A non-dependent is a person who lives with you but is not liable to pay rent or council tax. A non-dependent deduction is a deduction in the level of weekly Council Tax Support you receive where the non-dependent in your home has earned income. The amount of deduction made, depends on the earnings they receive.

In our current scheme, the deduction can range from 'nil' for non-dependents in receipt of 'out of work' benefits to either £4.00, £8.10, £10.20 or £12.20 depending on the amount of their earnings.

- Introduce a 'self-employed' minimum income floor based on the minimum wage for existing self-employed council tax support recipients (currently this is only applied to new claims where the customer is self-employed).

- 3.3 Council tax needs to remain collectable, and the current scheme is established and broadly understood. The amount of council tax customers in receipt of Council Tax Support (Reduction) are required to pay has proven in the main to be collectable, however, in-year council tax collection has been impacted by those customers now on Universal Credit. This is due to multiple changes in Universal Credit awards as customers earnings fluctuate prompting changes in the Council Tax Support calculation which then creates revised council tax bills.

Some of the above options to consult on would help to reduce the number of reassessments and revisions of council tax bills, they will help to give customers more certainty and stability on the level of council tax support they receive and also provide a mechanism where we can back date an award of council tax support for a longer period where a customer may have been unaware they were entitled.

## 4. **FINANCIAL IMPLICATIONS**

- 4.1 Government funding for Local Authorities to administer their local schemes from 2015 formed part of the overall Revenue Support Grant (RSG). As this grant continues to reduce and future government funding is uncertain, the council needs to

consider the cost of each year's scheme.

The overall cost of the 2019 scheme is forecasted as:	£9,375,603
The cost to Great Yarmouth Borough Council is forecasted as:	£844,921

#### 4.2 **Future Schemes**

Great Yarmouth is currently working with other Norfolk districts to model different types of schemes for consideration for the future.

### 5. **RECOMMENDATIONS**

- 5.1 To grant permission to consult on retaining the current scheme for 2020 but including the further options within the consultation as set out in section 3.2.

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

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Yes
Existing Council Policies:	
Financial Implications:	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	
Equality Issues/EQIA assessment:	Yes
Crime & Disorder:	
Every Child Matters:	