

**Report to** Council  
25 February 2020  
**Report of** Director of resources  
**Subject** Council tax reduction scheme (CTRS) 2020-21

**Item**

**7**

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## **Purpose**

To approve the council tax reduction scheme for 2020-21

## **Recommendations**

That council approves the following changes to the council tax reduction scheme (CTRS) for 2020-21 by continuing with the 2019-20 scheme with the following modifications:

1. as in previous years increase the working-age applicable amount by the 2020-21 composite rate of council tax (excluding adult social care);
2. increase the level of income brackets used to decide non-dependant deductions and level of non-dependant deductions by the 2020-21 composite rate of council tax (excluding adult social care);
3. increase the level of income brackets used to decide entitlement to second adult reduction by the 2020-21 composite rate of council tax (excluding adult social care);
4. apply technical updates already applied to DWP benefits for working-age applicants to keep legislation updated to EU exit decisions;
5. for all working-age applicants introduce a tolerance rule (or de-minimis rule) of £15 income change per week (equating to £3 of CTR entitlement) :this tolerance would apply before either CTR entitlement increased or decreased;.
6. disregard of income changes or capital received in respect of the Windrush Compensation Scheme:
7. disregard:
  - (a) any arrears of Universal Credit where they are paid due to loss of a severe disability premium and where the maximum Universal Credit award is not adjusted by DWP to reflect the arrears payment;
  - (b) ongoing transitional payments of Universal Credit where these are paid due to loss of a severe disability premium and where the maximum Universal Credit award is not adjusted by DWP to reflect the transitional payment;
8. reinstate the 'remunerative work rule' where CTR would only have a higher non-dependent deduction applied if the non-dependant's contractual working hours are 16 or more per week;
9. Universal Credit self-employed income to be calculated by the city council;
10. retain the local discount provision for care leavers;

11. retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events;
12. retain a single person discount for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work.

### **Corporate and service priorities**

The report helps to meet the corporate priority inclusive economy

### **Financial implications**

As detailed in the report

**Ward/s:** All Wards

**Cabinet member:** Councillor Davis - Social inclusion

Councillor Kendrick - Resources

### **Contact officers**

Anton Bull – Director of resources	01603 212326
Adrian Mills – ARP strategic manager	01842 756491
Julie Gowling – LGSS, revenues and benefits operations manager	01603 212645
Carole Jowett – LGSS, revenues and benefits operations manager	01603 212684

### **Background documents**

None

# Report

1. Since 1 April 2013 the council has operated a council tax reduction scheme (CTRS), which replaced council tax benefit.
2. The CTRS helps people on low incomes and/or certain welfare benefits to pay their council tax bill. This provides support to those under the greatest financial pressure.
3. Pensioners have been protected by the government so any changes to CTRS will only impact working age claimants. Therefore, the council can only control the cost of CTRS in relation to working age claims.
4. The council adopted the government's default CTRS in 2013, having made various changes since then but maintaining the principle of a full support (100% discount) scheme. The government has been reducing its financial support to local authorities for the cost of the scheme therefore changes to the council tax discounts and exemptions have been made to try and address any shortfall.
5. There will be no revenue support grant to help cover the cost of the scheme from 2020-21. The reduction in the funding has already been incorporated into the MTFS.
6. The council tax reduction scheme cross party working group met on 14 October 2019 to review in detail options. The minutes of that meeting are attached as Appendix 1.
7. The council tax reduction scheme cross party working group resolved, unanimously, to recommend the Council Tax Reduction Scheme 2020-2021 to cabinet and council based on the following principles.
8. To make the following changes to the council tax reduction scheme (CTRS) for 2020-21 by continuing with the 2019-20 scheme with the following modifications:
  - (a) as in previous years increase the working-age applicable amount by the 2020-21 composite rate of council tax (excluding adult social care);
  - (b) increase the level of income brackets used to decide non-dependant deductions and level of non-dependant deductions by the 2020-21 composite rate of council tax (excluding adult social care);
  - (c) increase the level of income brackets used to decide entitlement to second adult reduction by the 2020-21 composite rate of council tax (excluding adult social care);
  - (d) apply technical updates already applied to DWP benefits for working-age applicants to keep legislation updated to EU exit decisions;
  - (e) for all working-age applicants introduce a tolerance rule (or de-minimis rule) of £15 income change per week (equating to £3 of CTR entitlement):this tolerance would apply before either CTR entitlement increased or decreased;
  - (f) disregard of income changes or capital received in respect of the Windrush Compensation Scheme;

(g) disregard:

- (i) any arrears of Universal Credit where they are paid due to loss of a severe disability premium and where the maximum Universal Credit award is not adjusted by DWP to reflect the arrears payment;
  - (ii) ongoing transitional payments of Universal Credit where these are paid due to loss of a severe disability premium and where the maximum Universal Credit award is not adjusted by DWP to reflect the transitional payment;
- (h) reinstate the 'remunerative work rule' where CTR would only have a higher non-dependent deduction applied if the non-dependant's contractual working hours are 16 or more per week;
- (i) Universal Credit self-employed income to be calculated by the city council;
- (j) retain the local discount provision for care leavers;
- (k) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events;
- (l) retain a single person discount for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work.

8. On 12 February 2020, cabinet considered the recommendations of the council tax reduction scheme cross party working group and resolved to recommend the changes to the council reduction scheme.

### **Consultation**

9. As preceptors Norfolk County Council and the Office of the Police and Crime commissioner have been consulted on these proposed changes.

10. Norfolk County Council agree with the proposed council tax reduction scheme changes. In addition, Norfolk County Council have stated that they are open to exploring schemes that reduce the total cost of council tax support and are as uniform as possible across. Norfolk County Council have also asked that consideration is given to exploring the following proposals:

- (a) To limit Council Tax Support where claimant has savings to a lower level than the current £16,000 (other Norfolk authorities use £6,000).
- (b) To limit Council Tax Support discount to occupants of properties no higher than Band D Council Tax.
- (c) To work with district colleagues across the County to establish the cap for the Council Tax Support discount for working age claimants at a uniform amount in Norfolk, suggested at 75% of the maximum Council Tax charge. The range is currently from 75% - 100%, with only the City Council offering 100% in the County.
- (d) No comments on the proposals have been received from the Office of the Police and Crime commissioner.

11. The council has also consulted with and met the Financial Inclusion Consortium on 8 January 2020. The Consortium agreed with the proposals.

12. An equality impact assessment has been completed and is included as Appendix 2

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	14/2/2020
<b>Director / Head of service</b>	Anton Bull
<b>Report subject:</b>	Council tax reduction scheme (CTRS) 2020-21
<b>Date assessed:</b>	21/1/2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is a negative impact in that continued protection of the 100% CTRS will not be fully funded by the reducing revenues support grant placing pressure on the council's budget. However a positive impact of maintaining the scheme is that the council won't be chasing a large number of small debts that would be difficult to recover. The overall impact is therefore assessed at neutral
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Maintaining the scheme protects the most vulnerable on low incomes
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments



	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment				
Positive				
Negative				
Neutral				
Issues				




**Cross-Party Working Group – Council Tax Reduction Scheme**
**17:00 to 17:25**
**14 October 2019**

Present: Councillors Kendrick (chair), Davis, Grahame, Giles, Jones and Price

Apologies: Councillor Ackroyd

In attendance: Nikki Rotsos (director of strategy, communications and culture), Hannah Simpson (strategic finance business partner and deputy 151 officer), Adrian Mills (strategic manager (benefits), ARP), Julie Gowling (revenues and benefits operations manager), Carole Jowett (revenues and benefits operations manager), Martin Bryant (benefits and development officer), Nicola Bristow (financial liaison officer) and Adam Clark (strategy manager)

**1. Declarations of interest**

There were no declarations of interest.

**2. Minutes**

**RESOLVED** to approve the accuracy of the minutes of the meetings held on 10 September 2019, subject to item 4, Council Tax Reduction Scheme etc, fourth paragraph deleting “Matthew” and replacing with “Martin”.

**3. Council Tax Reduction Scheme (CTRS) 2020-21 and Council Tax Discounts and Exemptions**

Adrian Mills introduced the report and explained the considerations as set out in Appendix 1. He pointed out that the proposal in relation to *1. Working-age applicable amount – premiums and allowances; 2. Income brackets used to decide non-dependent deductions and level of non-dependant deductions; and 3. Income brackets used to decide entitlement to ‘second adult reduction’* was to continue with the arrangements as in previous years. The alignment of income brackets for second adult reduction with the others would benefit the customer. Councillor Davis moved and Councillor Giles seconded and on being put to the vote members confirmed this.

A member suggested that the wording for consideration 1(a) should be simplified in the consultation documents to make it easier to understand.

In relation to a member's question regarding appendix 1, 4. *Update CTRS for working-age applicants with – The Social Security (Income-related Benefits)(Updating and Amendment) (EU Exit) Regulations 2019 (SI 2019/872)*, Adrian Mills explained that this was prescribed by government and that there was no discretion on how it could be applied. Members noted that the technical updates had already applied to Department of Work and Pensions (DWP) benefits to keep legislation updated to EU Exit decisions.

During discussion on the proposal to introduce a CTR entitlement change 'tolerance' rule, Adrian Mills referred to the report and answered member's questions.

Councillor Davis moved, seconded by Councillor Giles that a tolerance rule be introduced to the CTR scheme for all working-age applicants, applied to fluctuations in income by the weekly equivalent of £15 including both increases and decreases in CTR entitlement, and it should be piloted for one year and subject to review at the end of 12 months. Adrian Mills explained that data sharing was the preferred method for assessing universal credit applicants' housing element and CTR entitlement as this reduced the impact on the customer. These assessments were made on a monthly basis.

Members were in agreement with the proposal to amend the CTRS to disregard of income or capital change received in respect of the Windrush Compensation Scheme.

Adrian Mills referred to the report and explained the changes for customers in receipt of UC who receive transitional protection elements due to loss of severe disability premium from former legacy benefit and that the proposed amendments to the CTRS. Councillor Davis moved and Councillor Giles seconded the considerations as set out in the report.

Referring to the report, Adrian Mills explained that the removal of the 16 hour work rule before a non-dependant was considered to be in paid work had little impact. The reinstatement of this rule would have no impact on the customer. Martin Bryant pointed out that the threshold (£202.93) for the minimum deduction would increase by 3 per cent next year. Councillor Davis moved and Councillor Giles seconded the considerations as set out in the report.

Adrian Mills thanked Councillor Davis for the questions that she raised at the previous meeting and presented the written responses. He confirmed that it would be possible to calculate true self-employed earnings rather than base it on the DWP'S minimum income floor (MIF) but there would be an administrative impact on the council as customers would be required to submit monthly accounts in order to align income to the UC award. Officers were working with nplaw on appropriate wording for the CTRS and for the consultation. Members were advised that the CTRS did not disadvantage customers through the 'bedroom tax'/housing element or the "two child cap". Members also noted that there was no discretion in the application of CTRS for mixed aged couples (where one partner is over the Pension Credit qualifying age and the other under that age) under the Local Council Tax Reduction Prescribed Regulations which were being amended to ensure consistency with benefits legislation. Adrian Mills referred to the flow chart showing the summary for Council Tax Reduction calculation. He explained that the CTRS taper was a second attempt

to help customers in receipt of CTR. Members also noted that the council was not privy to information on support for mortgage interest (SMI) loan as it was not part of the CTR calculation. Members also referred to the officer response to the situation regarding council tenancies where the property was uninhabitable and households were liable to double billing and noted that this applied in a 'normal year' to less than 12 households.

**RESOLVED**, unanimously, to recommend the Council Tax Reduction Scheme 2020-2019 to cabinet for consideration for public consultation and adoption by council incorporating the following changes:

- (1) increase the working-age applicable amount by the 2020-21 composite rate of council tax (excluding adult social care);
- (2) non-dependant deduction income brackets and level of non-dependant deductions to be increased by the 2020-21 composite rate of council tax (excluding adult social care);
- (3) income brackets for second adult reduction to be increased by the 2020-21 composite rate of council tax (excluding social care);
- (4) apply technical updates already applied to DWP benefits for working-age applicants to keep legislation updated to EU exit decisions;
- (5) introduce a tolerance rule (or de-minimis rule) of £15 income change per week for all working-age applicants (ie not limited to UC income changes) as a tolerance rate to CTR entitlement changes, applied to both increases and decreases in CTR entitlement;
- (6) disregard of income or capital change received in respect of the Windrush Compensation Scheme;
- (7) disregard:
  - (a) any arrears of UC where and only where arrears of UC are paid due to loss of a legacy benefit severe disability premium and where the maximum UC award is not adjusted by DWP to reflect the arrears payment;
  - (b) ongoing transitional payments of UC where and only where the transitional payments of UC are paid due to loss of a legacy benefit severe disability premium and where the maximum UC award is not adjusted by DWP to reflect the transitional payment;
- (8) reinstate the 'remunerative work rule' where CTR would only have a higher non-dependent deduction applied if the non-dependant working contractual working hours were 16 hours or more; therefore, non-dependants working less than 16 hours would (subject to all conditions and other income) result in a minimum non-dependant deduction to be applied.
- (9) UC self-employed income to be calculated by the city council.

CHAIR



### Section 1: Identifying details

<b>Title of equality impact assessment</b>	The Local Council Tax Reduction Scheme for the 2020 – 2021.	<b>Date of completion</b>	3 February 2020
<b>Team / Department</b>	Revenues and benefits service		
<b>Head of service / Director</b>	Anton Bull	<b>Role</b>	Director of resources
<b>Officer completing</b>	Adrian Mills	<b>Role</b>	ARP Strategic Manager

### Section 2: Summary of what is being assessed?

<b>Status</b>	This is a change to the existing council tax reduction scheme.
<b>Focus of the equality impact assessment</b>  To ascertain if the proposed changes to the Local Council Tax Reduction Scheme for the 2020 – 2021 year are compliant with equalities legislation.	
<b>What are the main aims or purpose of the policy, practice, service or function?</b>  To provide a local discount to Council Tax for working age low income residents. NB Government prescribe a statutory Council Tax Support scheme for Pensioners.	
<b>Who implements, carries out or delivers the policy, practice, service or function (person/team/body and other organisations who deliver under procurement or partnership arrangements)?</b>	

## Equality Impact Assessment

Norwich City Council revenues and benefits team.
<b>How does it fit with other services and policies, and how does it support <a href="#">corporate objectives</a>?</b>
This supports the council priority to promote an inclusive economy.
<b>Who is affected by the policy, practice, service or function, or by how it is delivered (customers, employees, the wider community or groups of people)?</b>
The policy impacts people who pay council tax and in particular those on low incomes who face difficulty paying council tax.
<b>What outcomes do you want to achieve, why and for who (what do you want to provide, what changes or improvements and what should the benefits be)?</b>
Support for those on low incomes who are unable to afford to pay council tax.
<b>What do existing or previous reviews/assessments of the policy, practice, service or function tell you?</b>
No previous assessment.
<b>What is the reason for the proposal or change (financial, legal etc)? The Equality Act requires us to make this clear.</b>
Each year the council has to consider whether or not to change its council tax reduction scheme. If changes are to be made to consult on such changes with other preceptors (Norfolk County Council and the Office of the Police and Crime Commissioner) and such other persons as it considers are likely to have an interest in the operation of the scheme. The legislation is the Local Government Finance Act 1992 Schedule 1A.

### Section 3: Update on previous equality impact assessment and outcomes of previous actions

If there is no previous equality impact assessment or if this is a new service then this section is not applicable.

What actions were planned in the previous equality impact assessment? List actions from previous equality impact assessment	What improved as a result? (What outcomes have these actions achieved?)



N/A	N/A
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## Section 4: Review of evidence and data

As a minimum you should consider what is known about the people likely to be affected which will support your understanding of the impact of the policy, practice, service, or function (service uptake/usage, customer satisfaction surveys, staffing data, performance data, and research information – national, regional and local data sources).

For further guidance on completing this section and sources of data, see [Appendix 1: Guidance](#)

<a href="#">Groups to consider</a>	<b>What do you know?</b> Summary of <a href="#">data</a> about customers and/or staff	<b>What do people tell us?</b> Summary of <a href="#">feedback</a> .
<a href="#">Age</a>		
<a href="#">Disability</a>		
<a href="#">Gender reassignment</a>		
<a href="#">Marriage and civil partnership</a>		
<a href="#">Pregnancy and maternity</a>		

## Equality Impact Assessment

<u>Race/ethnicity (including migrants, refugees and asylum seekers)</u>	
<u>Religion or belief</u>	
<u>Sex/gender</u>	
<u>Sexual orientation</u>	
<u>Other relevant groups (eg carers, looked after children, socio-economic status etc)</u>	
The financial inclusion consortium regularly works with customer to support applications for council tax reduction.	The financial inclusion consortium has reviewed the proposed changes and supports the proposed changes.

## Section 5: Impact analysis and actions

For further guidance on completing this section, see [Appendix 1: Guidance](#)

<u>Groups to consider</u>	<b>What does this mean?</b> What are the actual and potential <a href="#">impacts</a> based on the evidence in section 4 and are they <i>positive, neutral or adverse</i> ? Explain why.	<b>Extent of impact</b> (Low, medium or high)	<b>What can we do?</b> Identify potential <a href="#">actions</a> , gaps in data, further engagement and consultation, reasonable adjustments... Is there scope to eliminate discrimination, promote equality of opportunity and foster good relations between groups?
<u>Age</u>			
<u>Disability</u>			
<u>Gender reassignment</u>			
<u>Marriage and civil partnership</u>			
<u>Pregnancy and maternity</u>			

## Equality Impact Assessment

<u>Race/ethnicity (including migrants, refugees and asylum seekers)</u>		
<u>Religion or belief</u>		
<u>Sex/gender</u>		
<u>Sexual orientation</u>		
<u>Other relevant groups (eg carers, looked after children, socio-economic status etc)</u>		
		<p>Stakeholders acknowledged all residents on a low income can claim a reduction in their Council Tax liability, based on their domestic and financial circumstances and that the same maximum discount is applied to all resident and client groups. Furthermore, it was acknowledged, and welcomed, that the proposed introduction of an income tolerance rule will reduce the need for customers to revise their repayment arrangements, thereby assisting household budgeting.</p> <p>It should be noted that the Council's local Scheme replicates Government's predecessor prescribed Council Tax Benefit scheme in its qualifying rules and assessment, continuing with practices established over</p>

		many years and long-standing compliance with Equalities legislation.
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## Section 6: Conclusion

<b>Does the analysis in section 5 indicate any MEDIUM or HIGH ADVERSE impacts on one or more equality group?</b>							
<b>No</b>							
<b>Does the policy or decision need to be changed?</b>							
No change to policy/decision	Yes	Adjustment needed to policy/decision	No	Continue with policy/decision (despite adverse impact)	N/A	If high adverse impact – rethink policy/decision	N/A
<b>Please explain</b>							

## Equality Impact Assessment

### Section 7: [Action plan](#) to address and monitor adverse impacts (based on section 5)

What are the potential adverse impacts and who will be affected?	What mitigating actions are required/ planned?	What are the expected outcomes?	When will they be achieved?

### Section 8: Sign off (for the assessment to be final, the relevant people agreeing it must sign this section or send an email)

Officer completing equality impact assessment	Adrian Mills	Date	3 February 2020
Head of service or Director	Anton Bull	Date	3 February 2020
Equality lead (strategy team)	Emma Smith	Date	4 February 2020