

Report to Cabinet
10 February 2021
Report of Director of resources
Subject Council tax reduction scheme (CTRS) 2021/22

Item

6

KEY DECISION

Purpose

To consider and recommend to council a council tax reduction scheme for 2021/22

Recommendations

That cabinet consider the below recommendations for onward approval by council:

- 1) make the following changes to the council tax reduction scheme (CTRS) for 2021/22 by continuing with the 2020/21 scheme with the following modifications:
 - a) as in previous years increase the working-age applicable amount by the 2021/22 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 2021/22 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 2021/22 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) retain the local discount provision for care leavers
 - f) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events
 - g) 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
- 2) agreement that the scheme will have provision to reflect changes Government might introduce to continue with a COVID-19 increase in Universal Credit rates and / or Working Tax Credit additional earnings disregards for the 2021/2022 year. This will ensure customers are not disadvantaged by the Government increase.

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

Annabel Scholes – Interim Director of resources 989201	01603 989201
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Adrian Mills – ARP strategic manager	07984255437
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Julie Gowling – Revenues and benefits operations manager	01603 987582
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Carole Jowett – Revenues and benefits operations manager	01603 987762
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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. The reduction in the funding has already been incorporated into the MTFS.
6. The council tax reduction scheme cross party working group met on 22 September 2020 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 2021/22 to cabinet and council.
8. Due to the current uncertainty regarding Government policy on continuing with the temporary COVID-19 increases in Universal Credit (UC) rates and the Working tax Credits additional earnings disregards seen in 2019/20, it is recommended provision is now made within the 2021/22 scheme to ensure that if those increases continue customers are not disadvantaged.
9. Early in the COVID-19 pandemic Government introduced two measures to assist benefit recipients during the 2020/21 year:
 - a) A £20 per week increase in UC rates;
 - b) An additional earnings disregard with Working Tax Credits.
10. It is anticipated Government will announce its policy on these measures for 2021/22 at Budget on 3 March, when it will be too late to amend the Norwich scheme given it will be mandated at Full Council on 23 February 2021, should Government continue with the measures.
11. Accordingly, a paragraph will be inserted into the scheme that Council determines on the 23 February 2021 that makes provision for such changes should Government continue with them.

12. Given it is likely to be too late to incorporate such changes before the Council has run annual billing, it will be necessary to re bill affected customers to ensure they receive the increase in their Council Tax Support.
13. Accordingly, the proposal for the council tax reduction scheme (CTRS) for 2021/22 is to continue with the 2020/21 scheme with the following modifications:

a)

- 1) as in previous years increase the working-age applicable amount by the 2021/22 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 2021/22 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 2021/22 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) retain the local discount provision for care leavers
- 6) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events
- 7) 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

b)

That the scheme will have provision to reflect changes Government might introduce to continue with a COVID-19 increase in Universal Credit rates and / or Working Tax Credit additional earnings disregards for the 2021/22 year. This will ensure customers are not disadvantaged by the Government increase.

Consultation

14. As preceptors Norfolk County Council and the Office of the Police and Crime commissioner have been consulted on these proposed changes.
15. The Office of the Police and Crime Commissioner recorded their disappointment that the Council intended to continue with a 100% scheme, whilst understanding the reasons for doing so. They welcomed a wider review for the 2022/23 scheme and expressed interest in early sight of proposals, as well as the opportunity to provide input.
16. Norfolk County Council agree with the proposed council tax reduction scheme changes, noting that in these unprecedented times they do not wish to propose any alternatives to the proposals for 2021/22. However, Norfolk County Council have stated they welcome a review for future years.

17. The Financial Inclusion Consortium were also consulted. They agreed with the proposals.

18. An integrated impact assessment has been completed and is attached.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	10.02.2021
Director / Head of service	Annabel Scholes Interim Director of Resources
Report subject:	The Local Council Tax Support Scheme 2021 - 2022
Date assessed:	25.02.2021

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" 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 will not be required to chase 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"/>			
ICT services	<input checked="" type="checkbox"/>			
Economic development	<input checked="" type="checkbox"/>			
Financial inclusion	<input checked="" 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"/>			
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>			
Human Rights Act 1998	<input checked="" type="checkbox"/>			

	Impact			
Health and well being	<input checked="" type="checkbox"/>			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Council's scheme maintains well established Benefit conventions from the previous DWP scheme.
Eliminating discrimination & harassment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See above
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See above
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"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
No impact
Negative
None
Neutral
No impact
Issues
No issues foreseen given this is a continuation of the current scheme with no revisions.

Cross-Party Working Group – Council Tax Reduction Scheme**16:00 to 16:30****22 September 2020**

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

In attendance: Adrian Mills (strategic manager (benefits), ARP), Annabel Scholes (interim chief finance officer); Julie Gowling (revenues and benefits operations manager), Martin Bryant (benefits and development officer) and Michele Sundram (revenues and benefits team leader)

Apologies: Anton Bull, director of place

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 14 October 2019.

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

Adrian Mills presented the report and explained the considerations as set out in Appendix 1. The proposal set out in section 4 of the report proposed that the CTRS remained aligned to Social Security rules following the expected changes in immigration rules in January 2021.

During discussion members confirmed their support for the retention of the maximum 100 per cent entitlement for working age recipients. Members took into consideration that residents were under financial pressures in the current recession, as people came out of furlough or lost jobs, and that the recovery of percentage contribution rates would be difficult and dependent on the city council's staffing resources whilst benefiting the county council (as the recipient of the larger proportion of council tax).

The revenues and benefits operations manager requested that in future years a working group meeting was held earlier in the civic year so that officers could consult with members and work up options for the CTRS for the working group to consider and recommend to cabinet.

Having considered the report, Councillor Davis moved, and Councillor Jones seconded recommendations 1(a), 2(a), 3(a) and 4(a), and it was:

RESOLVED, unanimously, to:

- (1) recommend to cabinet, when reviewing the Council Tax Reduction Scheme for 2021-2020, that the scheme retains a maximum 100 per cent entitlement for working age CTR recipients and takes into account the following considerations:
 - (a) **Working age applicable amount – premiums and allowances** – as in previous years increase the working-age applicable amount by the 2021-2022 composite rate of council tax (excluding social care);
 - (b) **Income brackets used to decide non-dependent deductions and level of non-dependent deductions** – increased by the 2021-2022 composite rate of council tax (excluding adult social care);
 - (c) **Income brackets used to decide entitlement to ‘second adult reduction’** – increased by the 2021-2022 composite rate of council tax (excluding adult social care);
 - (d) **Update CTRS for working age applicants with Social Security changes to rules for entitlement to CTR as a national of a European Union country** – to align working age CTR scheme regulations to relevant Social Security and/or prescribed regulations for pension-age as necessary.
- (2) agree to hold at least two meetings of this working group, each civic year, the first to be held early on in the civic year (June) so that officers can work up proposals following consultation with members, for consideration at the second meeting in the late summer/early autumn.

CHAIR