

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

Item

7

Purpose

To consider and recommend to council a council tax reduction scheme for 2020-21

Recommendations

That council:

- 1) 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:
 - (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;
 - 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

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

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|--|--------------|
| 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:

- 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;
- 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

Consultation

8. As preceptors Norfolk County Council and the Office of the Police and Crime commissioner have been consulted on these proposed changes.
9. 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.
10. The council has also consulted with and met the Financial Inclusion Consortium on the 8th January 2020. The Consortium agreed with the proposals.

11. An equality impact assessment has been completed and is included as Appendix 1

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

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

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| | Impact | | | |
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| 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 |

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

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|--|--|--|--|--|
| Recommendations from impact assessment | | | | |
| Positive | | | | |
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| Negative | | | | |
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| Neutral | | | | |
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| Issues | | | | |
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Equality Impact Assessment

Section 1: Identifying details

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

Section 2: Summary of what is being assessed?

| | |
|---|--|
| Status | This is a change to the existing council tax reduction scheme. |
| Focus of the equality impact assessment To ascertain if the proposed changes to the Local Council Tax Reduction Scheme for the 2020 – 2021 year are compliant with equalities legislation. | |
| What are the main aims or purpose of the policy, practice, service or function? 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. | |
| 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)? | |

Equality Impact Assessment

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| Norwich City Council revenues and benefits team. |
| How does it fit with other services and policies, and how does it support corporate objectives? |
| This supports the council priority to promote an inclusive economy. |
| 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)? |
| The policy impacts people who pay council tax and in particular those on low incomes who face difficulty paying council tax. |
| 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)? |
| Support for those on low incomes who are unable to afford to pay council tax. |
| What do existing or previous reviews/assessments of the policy, practice, service or function tell you? |
| No previous assessment. |
| What is the reason for the proposal or change (financial, legal etc)? The Equality Act requires us to make this clear. |
| 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?) |
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| 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](#)

| Groups to consider | What do you know? Summary of data about customers and/or staff | What do people tell us? Summary of feedback . |
|--|---|--|
| Age | | |
| Disability | | |
| Gender reassignment | | |
| Marriage and civil partnership | | |
| Pregnancy and maternity | | |

Equality Impact Assessment

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| | |
| <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> | What does this mean? What are the actual and potential impacts based on the evidence in section 4 and are they <i>positive, neutral or adverse</i> ? Explain why. | Extent of impact (Low, medium or high) | What can we do? Identify potential actions , 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

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|--|--|---|
| | | |
| <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> |

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

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| Does the analysis in section 5 indicate any MEDIUM or HIGH ADVERSE impacts on one or more equality group? | | | | | | | |
| No | | | | | | | |
| Does the policy or decision need to be changed? | | | | | | | |
| 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 |
| Please explain | | | | | | | |
| | | | | | | | |

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

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| 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 |