

**Report to** Council  
23 February 2021  
**Report of** Director of resources  
**Subject** Council tax reduction scheme (CTRS) 2021-22

**Item**

**6**

## **KEY DECISION**

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### **Purpose**

To determine a council tax reduction scheme for 2021-22

### **Recommendation**

That 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) That the scheme will have provision to reflect changes Government might introduce to continue with a COVID-19 increase in Universal Credit rates, legacy benefits 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

Adrian Mills – ARP strategic manager 07984255437

Julie Gowling – LGSS, revenues and benefits operations manager 987582

Carole Jowett – LGSS, revenues and benefits operations manager 987762

**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 2021-22. 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 2021-2022 to cabinet and council based on the following principles.
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 continues within the 2021-22 scheme to ensure that if those same increases continue customers are not disadvantaged.
9. Early in the COVID-19 pandemic Government introduced two measures to assist benefit recipients during the 2020-2021 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<sup>rd</sup> March 2021, when it will be too late to amend the Norwich scheme given it will be mandated at Full Council on 23<sup>rd</sup> February 2021, should Government continue with these measures.
11. Accordingly, the scheme Council determined on the 23<sup>rd</sup> February 2021 will have provision for these changes should Government continue with them.

12. To 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)

- 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 / 2022 year. This will ensure customers are not disadvantaged by the Government increase.

## **Consultation**

13. As preceptors Norfolk County Council, the Office of the Police and Crime commissioner and the Financial Consortium have been consulted on these proposed changes.
14. 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.
15. Norfolk County Council agree with the proposed council tax reduction scheme changes. In addition, Norfolk County Council welcome 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. The council has also consulted with the Financial Inclusion Consortium. The Consortium agreed with the proposals.

## 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

<b>Committee:</b>	Council
<b>Committee date:</b>	23rd February 2021
<b>Director / Head of service</b>	Annabel Scholes
<b>Report subject:</b>	Local Council Tax Reduction Scheme 2021/2022
<b>Date assessed:</b>	12.02.2021

	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 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"/>	<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 checked="" type="checkbox"/>	<input 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"/>	

	Impact			
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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"/>	

<b>Recommendations from impact assessment</b>
<b>Positive</b>
No impact
<b>Negative</b>
none
<b>Neutral</b>
No impact
<b>Issues</b>
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