

**EAST LINDSEY DISTRICT COUNCIL**  
**Council**

Report of: Councillor Richard Fry  
Executive Member for Finance

Report to:	<b>Council</b>
Date:	<b>4 March 2020</b>
Subject:	LOCAL COUNCIL TAX SUPPORT SCHEME 2020/21

<b>Decision:</b>	<i>Council decision</i>
<b>Relevant Executive Member:</b>	<i>Councillor Fry, Portfolio Holder for Finance</i>
<b>Report author:</b>	Sharon Hammond, Head of Revenues and Benefits Sharon.hammond@pspsl.co.uk Date: 7 February 2020
<b>Reviewed by: Signed off by:</b>	Adrian Sibley, Section 151 Officer Date: 7 February 2020
<b>Approved for publication</b>	Councillor Fry, 7 February 2020
<b>Does the report identify information that is exempt from publication</b>	<i>Not exempt</i>

**SUMMARY**

This report seeks Council Approval of the Executive Board decision on the final proposals for the 2020/21 scheme.

## **RECOMMENDATION**

1. That Council approves, the Executive Board recommendations: -
  - a) Uprating and harmonisation of the scheme as appropriate to the DWP welfare reforms in Housing Benefit and the prescribed scheme for pensioners for 2020/21 and future years, and
  - b) Introduce a link to the award of Universal Credit, removing the need for customers to make a separate application for Council Tax Support, and
  - c) Introduce a £15 weekly (£65 monthly) tolerance rule for Universal Credit customer change in earnings.
2. That Council delegate: -
  - a) Approval for the 2020/21 final scheme policy to the Section 151 Officer in consultation with the Portfolio Holder for Finance, and
  - b) Approval for administrative and minor changes for future year schemes to the Section 151 Officer in consultation with the Portfolio Holder for Finance.

## **REASON:**

This Council must make any revision to its scheme, or any replacement, and agree its final scheme no later than 11<sup>th</sup> March 2020 in respect of the 2020/21 financial year.

## **1. INTRODUCTION**

- 1.1 Each year the Council is required to consider whether to review its local Council Tax Support (CTS) scheme. This report advises the conclusion of the annual review and the results of consultation on the proposals for the 2020/21 scheme.
- 1.2 The Local Government Finance Act 2012 sets out the process by which Councils must approve a local Council Tax Support scheme. Regulations include protection for pensioners but allow Councils to make changes in the way that support is calculated for working age claimants.
- 1.3 Where Councils seek to amend their scheme it is necessary to consult major preceptors and stakeholders to inform a final scheme design.

## **2. BACKGROUND**

- 2.1 Local Council Tax Support schemes replaced the former national Council Tax Benefit (CTB) scheme from April 2013. The scheme for pensioners continues to be prescribed by government, and allows up to 100% support against Council Tax liability.

- 2.2 The scheme for Working Age claimants is determined locally. The Government set out its expectations for local authorities to protect the vulnerable and for schemes to support incentives to work.
- 2.3 Since 2014/15 the CTS grant from central government has been subsumed within RSG and is no longer separately identifiable.
- 2.4 East Lindsey District Council has retained a Council Tax Support Scheme since April 2013 that requires all working age households to pay at least 25% of their Council Tax liability.

The core principles of East Lindsey's local CTS scheme are: -

- **Protection for : -**  
People over pension age (as prescribed by Government)  
All War Disablement Pensioners, War Widow and War Widowers.
  - **People with children, disabilities or caring responsibilities will be supported**  
Retain the core features and continue to apply the wide range of provision in the previous Council Tax Benefit (CTB) scheme that recognised the additional needs of the disabled, those with children and those with caring responsibilities.
  - **Incentives to work will be supported**  
Retain provision within the previous Council Tax Benefit scheme, thereby maintaining the rate at which support is withdrawn as income increases.
- 2.5 Scheme changes were made in 2016/17 to limit backdating to one month, restrict CTS to Band D Council Tax liability, and remove second adult rebate. In 2019/20 a new class for Care Leavers was introduced.

### 3. 2020/21 SCHEME CONSULTATION

- 3.1 Executive Board approved at its meeting on 18<sup>th</sup> December 2019 a consultation exercise in relation to the proposals which would retain the core principles of the scheme and for: -
- a) Uprating and harmonisation of the scheme as appropriate to the DWP welfare reforms in Housing Benefit and the prescribed scheme for pensioners for 2020/21 and future years, and
  - b) Introduce a link to the award of Universal Credit, removing the need for customers to make a separate application for Council Tax Support, and
  - c) Introduce a tolerance rule for Universal Credit customer change in earnings.

The consultation period ended 29<sup>th</sup> January 2020.

- 3.2 A written response has been received from Lincolnshire Police and Crime Commissioner, this is included in the consultation report at Appendix A.

Lincolnshire County Council has confirmed its response was made through the online questionnaire, and that the proposals are supported.

3.3 The wider public consultation included publicity through media release, website and social media, with questionnaires available in all Customer Access Points. A total of 26 responses were received. With such a low response rate it has to be recognised that the results cannot be relied upon as being wholly representative or statistically significant.

3.4 High level findings are summarised: -

- The majority of respondents (77%) agreed that the council should retain the main characteristics of the current Council Tax Scheme, increased in line with DWP provisions for 2020/21 and future years.
- Over 65% of respondents felt that the current scheme is fair and provides support to those most vulnerable.
- Over 73% agreed with the proposal to introduce a link to the award of Universal Credit, removing the need for a separate application for Council Tax Support.
- Almost 77% agreed we should simplify CTS by introducing a tolerance level when Universal Credit customer's earnings change by a small amount.

There was however a mixed view on the level of this tolerance, with only 14 respondents responding with a view on what the tolerance level should be.

3.5 The full consultation report is shown at Appendix A.

## **4. RECOMMENDATIONS**

4.1 Retaining the core principles of the current scheme along with uprating and harmonisation with DWP annual update of allowances and premiums will continue to align the CTS scheme for working age customers with DWP provisions for Housing Benefit and the CTS scheme for pensioners. This has been consistent each year since the introduction of local Council Tax Support schemes, and if determined for 2020/21 and future years will remove the need for this decision to be taken each year, however it would not prevent a different decision in future years, if desired.

4.2 Linking CTS with the award for UC will make it simpler and more timely for customers to access CTS, preventing delay and potential loss in support (under scheme rules, if an application is made late it can only be backdated for 1 month).

4.3 Introducing a tolerance rule for the revision of earnings at £15 per week (£65/month) would ensure smoothing of customers fluctuating UC awards, and not disadvantage those customers receiving greater or occasional beneficial

change. With Officer discretion to update on a case by case basis subject to individual circumstances, this will help to provide some stability in respect of Council Tax for customers with small changes each month.

- 4.4 It is further recommended that for future years, scheme changes that are administrative, or minor in nature, are delegated to the Section 151 Officer in consultation with the Portfolio Holder for Finance.  
Future scheme changes that are more fundamental, and which could change the core principles and characteristics of the scheme, would be brought to Executive Board, and be subject to consultation as part of the scheme decision making process.

## 5. OTHER OPTIONS FOR CONSIDERATION

- 5.1 Do nothing. Retain the current scheme, without uprating, and leave the current processes in place for Universal Credit claimants.
- 5.2 Introduce some, but not all of the recommended options set out in 4 above.
- 5.3 The options in 5.1 and 5.2 would not realise the benefits of scheme alignment and stability for working age and Universal Credit claimant.

## 6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific risks are included in the table below:

Category Risk – State if high medium or low	Action / Controls
N/A	N/A

## 7. ISSUES AND MATTERS TO TAKE INTO ACCOUNT ARISING FROM KEY CORPORATE CONSIDERATIONS (EQUALITY, SAFEGUARDING, DEPRIVATION, HEALTH & SAFETY etc.)

## 8. FINANCIAL CONSIDERATIONS/IMPLICATIONS

- 8.1 There are no financial implications in respect of this report.

## **9. LEGAL CONSIDERATIONS/IMPLICATIONS**

- 9.1 The Local Government Finance Act 2012 introduced the framework for localism of Council Tax Support. The local CTS scheme must be approved by Full Council by 11<sup>th</sup> March 2020. Any change to CTS schemes must be subject to proper process, including consultation in order to protect the scheme from judicial review.

## **10. APPENDICES**

- 10.1 **Appendix A** Consultation Report

## **11. BACKGROUND PAPERS**

- 11.1 **None**