

## **REPORT TO EXECUTIVE**

Date of Meeting: 1 December 2020

## **REPORT TO COUNCIL**

Date of Meeting: 15 December 2020

Report of: Director, City Development, Housing and Supporting People

Title: Local Council Tax Support Scheme 2021-22

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

This report seeks Members' agreement:

- i. on the local Council Tax Support (CTS) scheme for working age residents for 2021/22, and
- ii. to resume work exploring options for a simpler discount-style scheme for future years

Members are required to agree working age scheme rules annually.

#### **2. Recommendations:**

- 2.1 That Executive agrees and RECOMMENDS to Council that the scheme for the current year continues for 2021-22 without substantive changes.
- 2.2 That Executive agrees and RECOMMENDS to Council that the work to develop options for Members' consideration for a simpler scheme, that was halted in March 2020 due to Covid-19 response priorities, will recommence in February 2021.

#### **3. Reasons for the recommendation:**

- 3.1 There are no compelling reasons to recommend changes to the scheme this year for either financial reasons or to align with welfare changes.
- 3.2 Universal Credit entitlement is calculated each month based on the customer's circumstances in the month just passed, with any changes resulting in a revised Universal Credit award. These revisions are sent to us automatically, and our current working age Council Tax Support scheme requires that we reassess the customers' Council Tax Support award based on this new income, even where the difference is minimal. Every new assessment results in a new Council Tax demand notice being issued and resets any recovery action in place on earlier bills.

3.3 The migration of Housing Benefit cases to Universal Credit has been accelerated due to the pandemic. As Universal Credit volumes increase, the importance of finding an alternative to the current scheme also increases. The work generated by changes to Universal Credit awards means the Benefits and Welfare team will be adjusting many more awards of Council Tax Support much more frequently. The Payments and Collection team will face a challenge in recovering Council Tax balances which change repeatedly, resetting payment arrangements and recovery action. The customer will be faced with uncertainty from one month to the next and will be much more likely to accrue Council Tax arrears through no fault of their own.

**4. What are the resource implications including non-financial resources.**

None, if the scheme remains unchanged.

**5. Section 151 Officer's comments:**

There are no financial implications arising from the recommendation to adopt the proposed scheme for 2021-22. If approved, the section 151 Officer will support the team in assessing the proposals for moving to a simplified scheme going forward.

**6. What are the legal aspects?**

Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 11 March.

**7. Monitoring Officer's comments:**

This report raises no issues for the Monitoring Officer.

**8. Report details:**

8.1 Exeter City Council's local Council Tax Support scheme has been in place since national Council Tax Benefit was abolished in April 2013. Rules for pensioners are set nationally, leaving discretion for local rules for working age customers. The scheme agreed by Exeter City Council from April 2013 was based on the old Council Tax Benefit scheme with the following key changes:

- Maximum support limited to 80%
- The maximum level of capital a claimant could have before losing entitlement reduced from £16,000 to £6,000
- Introduction of an Exceptional Hardship policy to help in cases of extreme financial hardship ensuring that protection and support is given to those most in need.

This scheme remained unchanged between April 2013 and April 2017.

8.2 In April 2017, the Council introduced a number of changes to the scheme for working age customers. These changes were intended to align with changes introduced in nationally determined benefits such as Housing Benefit, Universal Credit, Employment and Support Allowance and Council Tax Support for pensioners. The changes introduced were:

1. Using a minimum income for self-employed earners after 1 year's self-employment
  2. Reducing backdating to 1 month and allowing claims from newly liable customers
  3. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks
  4. Removing the Work Related Activity Component in the calculation of the entitlement for new applicants
  5. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) for looking after them
  6. Removing entitlement to the additional earnings disregard for Universal Credit customers in work
- 8.3 37% of households and 43% of expenditure for Council Tax Support is for pensioner cases. The scheme for pensioners is set by Central Government and the council therefore has no influence over the level of support given.
- 8.4 Last year, Members were asked to consider moving to a simpler banded scheme due to:
- An expected reduction in administration funding;
  - To align with digital and self-service transformation;
  - To align the scheme with other Council Tax Discounts.
- 8.5 A simple banded scheme will be a major change requiring new scheme rules, new software and new processes. The work that officers will do for consideration by Members will include full impact assessments and intended mitigations for any negative impact, where possible.
- 8.6 As originally intended, Member input will be sought through a Member Working Group to inform the design of the preferred option to be consulted on. Results from the public consultation will also be analysed with the Member Working Group to inform the final proposed scheme.

## **9. How does the decision contribute to the Council's Corporate Plan?**

The Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low income residents meet their Council Tax liability. The Exceptional Hardship policy strengthens this support by ensuring that the scheme rules do not cause inadvertent hardship in individual cases.

## **10. What risks are there and how can they be reduced?**

Changing the scheme before we understand the impact of the pandemic risks causing disruption and potentially hardship to households.

## **11. Equality Act 2010 (The Act)**

- 11.1 Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:
- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
  - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and

- foster good relations between people by tackling prejudice and promoting understanding.
- 11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the proposal is not to change the scheme, therefore protections already built into the scheme still apply. An Equality Impact Assessment accompanies this report and Members are requested to have read this assessment.

## **12. Carbon Footprint (Environmental) Implications:**

No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

Council can choose to make changes to the scheme from April each year. To comply with the legal requirements highlighted in section 6 above, any changes must be subject to consultation with precepting authorities and the public before implementation.

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## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

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