



Northumberland

County Council

CABINET

8 OCTOBER 2019

COUNCIL TAX SUPPORT SCHEME FOR 2020-21

Report of Neil Bradley, Service Director - Strategic Commissioning and Finance

Cabinet Member: Councillor Nicholas Oliver – Portfolio Holder for Corporate Services

Purpose of report

The purpose of this report is to seek approval for the local Council Tax Support Scheme for 2020-21.

Recommendations

Cabinet to recommend County Council to approve the Council Tax Support Scheme attached as Appendix 1 to be adopted as the Council's local scheme for 2020-21.

Link to Corporate Plan

The Council Tax Support Scheme is relevant to the 'we want to be efficient, open and work for everyone' priority in the Corporate Plan 2018-2021 by ensuring financial prudence whilst listening to and considering the views of consultees.

Key issues

1. A local Council Tax Support Scheme for pensioners and working age claimants needs to be agreed by 31 January 2020.
2. The pensioner element of the Scheme is prescribed and continues to support the pensioner element of the caseload up to a maximum of 100% of their council tax liability.
3. The working age element of the Scheme is for each Council to decide.
4. The Council Tax Scheme for 2019-20 reduced the maximum level of support for working age claimants by 8% from 100% to 92%. This change meant that all

working age claimants had their entitlement reduced by 8% and claimants previously receiving 100% had an 8% charge introduced.

5. The cost of the Council Tax Support Scheme for 2019-20 is forecast to be £24,241,117.
6. In 2019-20 the maximum level of support for working age claimants was reduced from 100% to 92%. It was anticipated that a collection rate over time of 83% would generate additional council tax income of £1 million. Figures are not available to compare only working age claim collection rates with the 2018-19 financial year. However, by way of comparison, at 31 August 2019 the percentage of council tax collected for all council tax support claimants (working age and pensioners) is 40.43% compared to 41.89% at the same point in 2018-19.
7. The cost of the scheme will vary and is dependent upon the number of claimants and their individual and family circumstances and also on the level of council tax that is set for 2020-21.
8. The proposal for the local scheme for 2020-21 is to continue with the 2019-20 scheme unchanged. That is, the maximum level of support for working age claimants will be 92%. The proposed local scheme is attached as Appendix 1 to this report.
9. No consultation is required for the proposed 2020-21 scheme as there are no changes being made.
10. The Council Tax Support Scheme has an impact on the council tax, tax base calculation.
11. The figures set out in Appendix 1 that apply for allowances, premiums and non-dependant deductions are amended annually in-line with up-ratings notified by the Department for Work & Pensions and Ministry for Housing, Communities & Local Government and will be amended in the 2020 scheme when they are available later in the financial year.

Background

12. With effect from 1 April 2013 each local authority has been required to have its own local Council Tax Support Scheme for pensioner and working age claimants.
13. For the period 1 April 2013 to 31 March 2019 the annual Council Tax Support Scheme for Northumberland maintained the support offered by the previous national Council Tax Benefit Scheme. That scheme had supported both pensioner and working age claimants up to a maximum of 100% council tax support.
14. Once a Council's local scheme has been established any amendments or changes to the scheme for subsequent years require statutory consultation.

15. Prior to the 2019-20 scheme being approved which saw the first reduction in the level of support for working age claimants from 100% to 92%, a comprehensive consultation exercise was carried out covering the period 24 September to 2 November 2018.
16. The Council Tax Support caseload is currently 26,168 claimants. This is made up of 10,796 who are of pensioner age and 15,372 who are working age.

Implications

Policy	The Council Tax Support Scheme for 2020-21 needs to be approved by full County Council by 31 January 2020. The scheme contributes to the 'we want to be efficient, open and work for everyone' priority in the Corporate Plan 2018-2021.
Finance value and for money	<p>The Council Tax Support Scheme governs the level of financial support provided to claimants on low incomes to assist them in meeting their council tax obligations.</p> <p>In 2018-19 the maximum level of support for working age claimants was reduced to 92%. It was anticipated that a collection rate over time of 83% would generate additional council tax receipts of £1 million.</p> <p>Figures are not available to compare working age collection rates, however, as at 31 August 2019 the percentage of council tax collected for all council tax support claimants is 40.43% compared to 41.89% at the same point in 2018-19.</p>
Legal	The requirement to have a Council Tax Support Scheme is governed by legislation. A local scheme needs to be approved by 31 January in the year preceding its implementation. Statutory consultation is required where there are proposed changes to an existing scheme. No consultation is required as there are no changes in the proposed scheme.
Procurement	No implications
Human Resources	No implications
Property	No implications
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	An Equality Impact Assessment was carried out for the changes that were made for the Council Tax Support Scheme for 2019-20. No further changes are proposed for the 2020-21 scheme and as a result no further equality impact assessment is required to be carried out.

Risk Assessment	Collecting council tax from working age claimants is difficult. Payment over 12 months will be encouraged for working age claimants in order to assist with the charge.
Crime & Disorder	No implications
Customer Consideration	The Council currently has 26,168 claimants receiving council tax support. Of these 15,372 are of working age and their level of support will remain the same under this proposal although the actual amount of council tax payable will increase.
Carbon reduction	No implications
Wards	All wards are affected by this proposal

Background papers:

County Council Report – 9 January 2019
County Council minutes – 9 January 2019
Council Tax Support Scheme 2019-20

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

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