



# Northumberland

## County Council

### CABINET

12 OCTOBER 2020

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## APPROVAL OF THE COUNCIL TAX SUPPORT SCHEME FOR 2021-22

Report of Chris Hand, Executive Director of Finance

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

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### Purpose of report

The purpose of this report is to seek approval for the local Council Tax Support Scheme for 2021-22 to continue to provide support at a maximum level of 92% of council tax liability.

### 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 2021-22.**

### 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 2020-2021 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 2021.
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 annually.
4. The Council Tax Scheme for 2020-21 had a maximum level of support for working age claimants of 92%. This means that all working age claimants pay a minimum of 8% of their properties council tax charge.
5. The cost of the Council Tax Support Scheme for 2020-21 is forecast to be £26,599,006. This cost may increase further once the Government's COVID-19 furlough scheme ends and if a second wave of the virus is experienced.

6. As part of the Government's response to the COVID- 19 pandemic new funding was provided to the Council to assist economically vulnerable people and households. The strong expectation from Government was that the funding was used to provide all working age council tax support recipients with a further reduction in their annual council tax liability for 2020-21 of £150. Where their liability was less than £150 it would be reduced to nil. This was applied to all council tax support claimants and used to fund new claimants coming onto the scheme.
7. The cost of the scheme will vary during the financial year 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 2021-22.
8. The proposal for the local scheme for 2021-22 is to continue with the 2020-21 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 2021-22 scheme as there are no changes being made.
10. The Council Tax Support Scheme has an impact on the council tax, tax base calculation and that report is due for approval at Cabinet (who have delegated powers to approve it) on 8 December 2020.
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 2021-22 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 on low incomes. Prior to 2013 assistance for council tax liability was provided via a national council tax benefit scheme.
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 27,928 claimants. This is made up of 10,470 who are of pensioner age and 17,458 who are working age.

### **Implications**

<b>Policy</b>	The Council Tax Support Scheme for 2021-22 needs to be approved by full County Council by 31 January 2021. The scheme contributes to the 'we want to be efficient, open and work for everyone' priority in the Corporate Plan 2020-21 by ensuring financial prudence whilst listening to and considering the views of consultees. .
<b>Finance and value for money</b>	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.  Council Tax contributes towards the cost of funding all Council services.
<b>Legal</b>	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.
<b>Procurement</b>	No implications
<b>Human Resources</b>	No implications
<b>Property</b>	No implications
<b>Equalities</b> (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 2021-22 scheme and as a result no further equality impact assessment is required to be carried out.
<b>Risk Assessment</b>	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 and minimise monthly payments during the financial year.
<b>Crime &amp; Disorder</b>	No implications
<b>Customer Consideration</b>	The Council currently has 27,928 claimants receiving council tax support. Of these 17,458 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.
<b>Carbon reduction</b>	No implications
<b>Wards</b>	All wards are affected by this proposal

**Background papers:**

County Council Report – 6 November 2019  
County Council minutes – 6 November 2019  
Council Tax Support Scheme 2020-21

**Report sign off.**

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

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