

**REPORT OF:** CHIEF FINANCIAL OFFICER  
**TO:** SPECIAL BUDGET COUNCIL  
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## **COUNCIL TAX SUPPORT SCHEME 2019/20 - UPDATED**

### **PURPOSE OF REPORT**

1. The purpose of this report is to request approval of the Council's Council Tax Support Scheme for 2019/20.

### **RECOMMENDATIONS**

2. Council is recommended to:-
  - a) Approve the updated Council Tax Support Scheme for 2019/20 as attached in [Appendix A](#).

### **REASONS FOR RECOMMENDATION**

3. To approve the Council's Council Tax Support Scheme for 2019/20. The Council needs to approve the local scheme of Council Tax Support by 11<sup>th</sup> March for the following financial year. There have been no changes made to the scheme, however, the document has been updated to reflect changes as cited in the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018.

### **ISSUE**

#### **Background**

4. The Council implemented a local scheme of Council Tax Support in April 2013 in response to national changes instigated by the Government as part of its programme of welfare reforms. The local scheme replaced the former national system of Council Tax Benefit and introduced Council Tax Support which operates as a discount applied to the recipient's Council Tax bill.
5. Under the scheme requirements, set nationally, pensioner age claimants were protected and continued to receive support which ensured they were no worse off under the new scheme. Working age claimants were subject to a local scheme with billing authorities such as Pendle responsible for devising their own scheme of assistance.

6. The current arrangements require Councils to approve their local schemes of support annually by 11<sup>th</sup> March for the following financial year. The Council's current scheme for 2018/19 was approved by Council in December 2017.

### ***Proposed scheme of local council tax support for 2019/20***

7. The proposed scheme retains the current means-testing process which, with various disregards and premiums applied, ensures that the circumstances of vulnerable residents are taken into consideration when determining the level of financial support. Alongside the scheme, the Council operates a Council Tax Hardship Scheme to deal with cases of extreme financial hardship.
8. There are no local changes proposed to the Council's scheme for 2019/20, the maximum level of support working age claimants is maintained at 80%.
9. Whilst no changes are being proposed to the scheme for next year it should be noted that each year the Ministry for Housing, Communities and Local Government update the Prescribed Requirements Regulations which (a) uprate the relevant premiums, allowances and deductions and (b) keep the regulations consistent with housing benefit regulations.
10. These updates have been incorporated into the current scheme document to be applied in 2019/20, these include the following:-

#### ***Base and Supporting Legislation***

- Changes have been made to the scheme to reflect changes to referenced Acts, Statutory Instruments and Orders as appropriate since January 2018;
- Inclusion of the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018.

#### ***Upratings***

- Changes have been made for the following:
- Uprating of the following premiums:
- Disability premium (Single, & Couple Rates);
- Enhanced Disability Premium (Single, Couples & Children's Rate)
- Severe Disability Premium (Single Rate, Couple Rates, Couple Rate – one Qualifies)
- Disabled Child Premium;
- Employment and Support Allowance (Support Component);
- Carer Premium;
- Changes to the levels for the Alternative Maximum Council Tax Reduction Scheme. (SAR) to reflect the second adult's income when determining the level of discount.

#### ***Prescribed Requirements***

- Changes to Applicable Amounts for persons who are pensioners
- Changes to the Non-Dependant Deductions for both pensioner and working age schemes;
- Changes to the earnings levels for Non-Dependant Deductions for both pensioner and working age schemes;
- Changes to the definition of official error for pensioner scheme to allow for errors in law – change defined by the Ministry of Housing, Communities and Local Government.

## IMPLICATIONS

### Policy

11. There are no new policy implications arising from the recommendation within this report as the local scheme is unchanged from 2018/19.

### Financial

12. As at the 30<sup>th</sup> November 2018 there were 7,733 residents in receipt of Council Tax Support. A split by category showing the average weekly entitlement is shown in the table below.

Category	Caseload	Average Weekly Entitlement	Annual Cost £000
Working Age	4,651	£14.82	3,584
Pension Age	3,082	£19.64	3,147
<b>Total</b>	<b>7,733</b>	<b>£16.74</b>	<b>6,731</b>

13. The award of Council Tax Support is applied directly as a discount to the Council Tax bill rather than paid as a benefit. The total value of support provided reduces the Council Tax Base and variations in actual cost compared to that estimated at the start of the year forms part of the surplus or deficit on the collection fund each year which is apportioned between the Council and the major preceptors.
14. There is no change in the maximum level of support provided under the current scheme of support, this is maintained at 80%. The current scheme of hardship relief will also be maintained to provide additional support in exceptional cases.

### Legal

15. The statutory provisions for localised schemes of Council Tax Support are contained in the Local Government Finance Act 2012. As indicated in the report, the Council is required to approve its local scheme of support by 11<sup>th</sup> March each year.

### Risk Management

16. There are mainly compliance and financial risks associated with the operation of a local scheme of council tax support. The scheme must have regard to regulations and other statutory provisions. These extend to consultation when changes are proposed and this must be meaningful and allow an appropriate period of time. Financial risks stem from the potential volatility regarding caseload and associated costs. The former risks are managed in conjunction with Liberata who administer the Council's scheme and include the use of external consultancy support to advise on technical matters. Financial risks are managed through the Council's existing budget framework and arrangements for regular monitoring.

### Health and Safety

17. There are no health and safety implications arising directly from the recommendation with this report.

## **Sustainability**

18. There are no climate change or sustainability implications arising directly from the recommendation within this report.

## **Community Safety**

19. There are no community safety issues arising directly from the recommendation within this report.

## **Equality and Diversity**

20. There are no equality and diversity implications resulting from the recommendation in this report. Subject to approval, the scheme is not changing for 2019/20 save for the annual uprating of parameters by Government.

## **APPENDICES**

**Appendix A** – draft Scheme of Local Council Tax Support for 2019/20.