

**REPORT OF: CHIEF EXECUTIVE**

**TO: POLICY AND RESOURCES COMMITTEE**

**DATES: 13<sup>th</sup> FEBRUARY 2020**

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## **LOCALISATION OF SUPPORT FOR COUNCIL TAX SCHEME FOR 2020/21**

### **PURPOSE OF REPORT**

1. The purpose of this report is to seek the Council's approval to the Localised Scheme of Support for Council Tax for 2020/21.

### **RECOMMENDATIONS**

2. That the Policy and Resources Committee recommend to Council that the Council Tax Support Scheme provided at **Appendix B** is approved for implementation from 1<sup>st</sup> April 2020.

### **REASONS FOR RECOMMENDATION**

3. The Council is required to approve a local Council Tax Support Scheme on or before 11<sup>th</sup> March each year.

### **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 and austerity measures. The local scheme replaced the 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 are protected and continue to receive support which ensures they are no worse off under the new scheme than they were under Council Tax Benefit. Working-age claimants were subject to a local scheme with Billing Authorities such as Pendle response for devising their own scheme of assistance.

6. The current scheme arrangements require Councils to approve their local scheme of support annually by 11<sup>th</sup> March for the following financial year. The Council's current scheme for 2019/20 was approved by the Council in February 2019.

**Proposed Scheme of Local Council Tax Support for 2020/21**

7. Aside from the normal annual uprating of allowances and updates for changes to base and supporting legislation, **the proposed scheme for 2020/21 retains the same key policy principles as the existing scheme.** By way of reminder, the key policy principles underpinning the Council Tax Support Scheme are summarised in Table 1 below:

**Table 1: Key Policy Principles of the Council Tax Scheme**

<b>Key Principle</b>	<b>Proposed Council Tax Scheme</b>
<b>Principle 1:</b> Every Working Age Claimant should pay something towards their Council Tax	Working Age Claimants will receive a maximum of 80% of the mean-tested financial support award
<b>Principle 2:</b> Vulnerable claimants should be protected as now	The current means-test, comprising disregards, premiums and allowances, will be retained in full
<b>Principle 3:</b> The scheme should incentivise work	The current scheme of Extended Payments will be retained
<b>Principle 4:</b> Everyone in the household who can contribute, should contribute	Non-dependant deduction rates will be retained at their present levels
<b>Principle 5:</b> Better off claimants should pay more so that the least well off receive greater protection	The Income Taper will be retained at its present level, ie 20p for every £1 of additional income
<b>Principle 6:</b> Benefit should not be paid to those with large capital or savings	The capital limit will be retained at £16,000, ie any claimant with capital in excess of this amount will not be entitled to support with their Council Tax

8. The summary text of the draft Council Tax Support Scheme for 2020/21 is provided at **Appendix A** whilst **Appendix B** is a draft of the full Council Tax Support Scheme Policy which has been produced in compliance with s13a(2) and Schedule 1a of the Local Government Finance Act 1992.

**IMPLICATIONS**

**Policy**

9. There are no new policy implications arising from the contents of this report.

## **Financial**

10. The estimated cost of the Council Tax Support Scheme in 2020/21 is c£7.248m. As Council Tax Support is awarded as a discount against Council Tax liability, an amount equivalent to the cost of Council Tax Support Scheme is deducted from the Council's Taxbase (as set out in a report on the calculation of the Council's Taxbase for 2020/21 which was considered by the Council on 17<sup>th</sup> December 2019).

## **Legal**

11. The statutory provisions for the introduction of the localised Council Tax Support Scheme are contained in the Local Government Finance Act 2012. The Council is required to approve the Council Tax Support Scheme by 11<sup>th</sup> March each year.

## **Risk Management**

12. There are no new risk management issues arising from the contents of this report.

## **Health and Safety**

13. There are no Health and Safety implications arising directly from the contents of this report.

## **Climate Change**

14. As with health and safety implications, there are no climate change or sustainability implications arising directly from this report.

## **Community Safety**

15. There are no community safety issues arising directly from the contents of this report.

## **Equality and Diversity**

16. There are no new equality and diversity implications arising directly from the contents of this report. In compliance with the Council's duties on equality and diversity, the Council undertook a full equality impact assessment on the Council Tax Support Scheme. This was to determine, amongst other matters, whether any individuals or groups will be disproportionately affected by any changes when taking a decision on the final scheme.

## **APPENDICES**

Appendix A – Summary Council Tax Support Scheme for 2020/21

Appendix B – Council Tax Support Scheme for 2020/21 (s13a(2) and Schedule 1a of the Local Government Finance Act 1992

## **LIST OF BACKGROUND PAPERS**

None.