

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 20 January 2020  
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**WARD(S):** All  
**PORTFOLIO:** Cllr Balvinder S. Bains, Cabinet Member for Inclusive Growth & Skills

### **PART I** **KEY DECISION**

#### **COUNCIL TAX SUPPORT SCHEME 2020-21**

##### **1 Purpose of Report**

The Council must have a Council Tax Support scheme in place each year; this must be approved annually by the 11 March preceding the start of the scheme. This report and appendix is the Council's scheme for 2020-21.

##### **2 Recommendation(s)/Proposed Action**

The Cabinet is requested to agree that a new banded income Council Tax Support Scheme be adopted by Slough Borough Council for the 2020-21 financial year.

The Cabinet is requested to resolve the Council Tax Support scheme as detailed in appendix A is approved for 2020-21

##### **4 Other Implications**

###### **(a) Financial**

This report should be cost neutral compared to the current Council Tax Support scheme. The uprating of the scheme with inflation (or the amount determined by the Minister of State for Pensions) should be broadly cost neutral as other benefits and income assessments are changed, therefore there are no direct financial implications of this paper;

This is based on the assumption that the number of applicants will remain similar to 2019-20, however, if the number of applicants for Council Tax Support increases there will be a financial pressure, and if the levels fall, there will be a financial benefit to the Council compared to the current level of applicants.

###### **(b) Risk Management**

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	The proposed scheme is currently being reviewed by an external barrister and their comments will be included in	

	the final version. The scheme proposed is a new banded income scheme.	
Property	none	
Human Rights	See EIA	
Health and Safety	None	
Employment Issues	Local employment levels will impact on the scheme as a risk and opportunity. The less people receiving CTX Support will mean the lower the cost of the scheme	
Equalities Issues	See EIA	
Community Support	None	
Communications	Consultation on the new scheme was completed in November 2019.	
Community Safety	None	
Financial	Income to be uprated in line with DWP rates. Applicable amounts will no longer apply for Council Tax Support. Please note that the working age benefits freeze implemented by the Chancellor of the Exchequer is due to stop in April 2020.  An increase in CTS cases will be a financial pressure on the collection fund	A decrease in CTS claimants will be a financial benefit to the Council through reduced payments, though there is a risk with the implementation of Full Service for Universal Credit that some claimants who are entitled to Council Tax Support may not claim and efforts are ongoing to mitigate this.
Timetable for delivery	None	
Project Capacity	None	
Other		

### Legal Implications

Section 13A (2) of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised Council Tax Reduction Scheme in accordance with Section 1A of the act. Each financial year the Council must consider whether it wants to revise the scheme or replace it.

#### (d) Equalities Impact Assessment

See appendix B – EIA completed

## 5 Supporting Information

5.1 The Council Tax Support scheme was introduced in April 2013. At this time the government changed it from a national scheme for all customers to a local

scheme for working age customers. The national scheme remained for all non working age customers.

- 5.2 Slough Borough Council in line with the legislation and a Local Council Tax Support scheme was approved by members on 10 December 2012. SBC did not make any changes (apart from uprating) to the scheme for 2014-15 or 2015-16, and then a number of changes were made for 2016-17. There were no material changes made to the scheme for 2017-18, 2018-19 or 2019-20 and the limited uprating was applied.
- 5.3 The legislation demands that the Local Council Tax Support scheme is approved by members each year before 11 March of the financial year preceding the start of the scheme.
- 5.4 Paragraph 3 to Schedule 1A of the Local Government Finance Act 1992 sets out the preparation that must be undertaken prior to the adoption or revision of a scheme, including prescribed consultation requirements. If the scheme is going to change then a full consultation must be carried out with all the charge payers prior to a decision being made, unless the change is for uprating purposes only. Accordingly a 6 week public consultation took place from 7 October to 17 November 2019 and the Council worked with the communication team to raise public awareness of this via a press release, Twitter announcements and communication on the Council's webpage. The actual consultation document was held here along with a link to access a useful online calculator which provided the user with a comparison of their award under the old scheme against the proposed new scheme award. Consultation has also taken place with our major preceptors Police & Crime Commissioner of Thames Valley and Royal Berks Fire & Rescue.
- 5.5 It is proposed that a new income banded scheme be devised and approved by members.
- 5.6 The Department of work and Pensions stated in 2015 that there would a freeze on uprating of benefits for working age customers for 4 years, and it is expected that this will end in April 2020.
- 5.7 The scheme also states that it will reflect any welfare benefits changes that come into operation in the course of the scheme.
- 5.8 The upratings where applicable will be released early in the calendar year 2020, but the scheme must be approved by members prior to the 11 March 2020 as stated in the legislation, therefore if there are any implications from the uprating authority is asked for the Section 151 Officer to approve these changes.

#### **Council Tax Support scheme 2020-21**

- 5.9 The Council Tax Support scheme for 2020-21 is included in appendix A.
- 5.10 The Council Tax support scheme is a newly devised income banded scheme which is based on the consultation process carried out in October and November 2019. An income banded scheme is one where the income of the person claiming (and their partner if they have one) minus any relevant disregarded income (e.g. Child Benefit, Personal Independence Payments,

housing element of Universal Credit) is compared to the table of bands in Appendix 1.

- 5.11 Slough Borough Council are looking to fundamentally change the Council Tax Support scheme for working age customers to make it easier to administer, clearer to understand and with less administration for both the customer and the service.
- 5.12 Because their awards will not be changing every time their income alters (as they do in the current scheme) customers will experience fewer changes in their council tax bills and instalments for payment. For example, refer to the Income bands in Appendix 1, for a single person whose income is £80 per week their award would be 65% of their council tax liability and this would not decrease until their income exceeded £103.35 per week. If their income dropped below £73.35 the award would increase to 80% of their liability.
- 5.13 Protected claimants, as detailed in category 6 below, could be awarded a maximum of 100% of their liability depending on their income.
- 5.13 The intention is that the scheme for 2020-21 should cost no more than 2019-20 but that SBC would not look to make savings as the impact on Council Tax collection would potentially negate any savings.

**The following factors are being proposed for 2020-21:**

1. That all working age customers will have to pay a minimum of 20% of the council tax charge (as per current scheme)
2. Introducing an income banded scheme, which means that the income of the person claiming (and their partner if they have one) minus any relevant disregarded income (e.g. Child Benefit, Personal Independence Payments, housing element of Universal Credit) is compared to the table of bands in *Appendix 1* (at this stage the bands are indicative pending the outcome of the consultation) in order to award the appropriate percentage reduction to the Council Tax account.
3. Passported claimants will all go into the lowest income band.
4. Universal Credit only claimants will all go into the lowest income band (as long as they have no other income)
5. Limit CTS to band C as currently being applied.
6. Protected claimant categories will remain the same (these are persons previously receiving severe disability premium, enhanced disability premium, disabled child premium, war pension, war widow's pension or a war disablement pension) and continue to be exempt from the band C restriction and allowed up to 100%. All of their income, unless it is disregarded, will be used to calculate which band they fall in.
7. The disregarded incomes are the same as those identified within the national Housing Benefit regulations.

8. Childcare disregards to remain the same as HB.
9. Capital limit to be increased to £16000 (to fall in line with Universal Credit capital limit which is £16k)
10. Backdating to stay at 1 month.
11. 4 weeks temporary absence from home in line with HB.
12. Minimum entitlement of £1.00 per week.
13. To give incentives to work there will be a standard earned income disregard of £25.00 per week for all working claimants. There will be an additional earnings disregard of £17.10 per week where the conditions of entitlement are satisfied.
14. If claiming Universal Credit and working - the Universal Credit payment is worked out based on wages and we will still take these wages into account after deducting the relevant earnings disregard. We will then add them to the Universal Credit payment to work out what band to use to calculate the Council Tax Reduction. Deductions taken from Universal Credit by the Department of Work and Pensions (DWP) will not be removed and the housing cost element of Universal Credit will be ignored.
15. Non dependant deductions set as follows :
  - a. NIL – for those in receipt of Pension Credit, full time students, aged under 25 and on passported
  - b. £5 pw - for non deps on contributory benefits such as Employment Support Allowance or working less than 16 hours per week or working over 16 hours per week but gross income is under £143.00
  - c. £10 pw - for non deps aged 18 or over and working 16 hours per week earning over £143.00

### **Council Tax Support Legislation**

5.12 The Council Tax Support legislation set a number of criteria that local authorities must adhere to in developing a scheme

• **Local authorities should ensure support for vulnerable groups;**

Slough Borough Council defined vulnerable groups as those who had a member of their household receiving a disability premium and protected all of these households, meaning that they are still entitled to be assessed with a maximum Council Tax Support of 100%

SBC also continued to protect those in receipt of War Widows and War Disablement Benefit

These protected groups remain the same in the new scheme.

- **Local schemes should support work incentives, and in particular avoid disincentives to move into work.**

The new scheme ensures that SBC support people into work by changing the income disregards in order to encourage work incentives, the first £25 earned will not be taken into account as income. Also a further £17.10 will not be taken into account as income where the applicant works more than 16 hours per week and have children or, if there are no children but the hours worked are 30 hours or more per week. The scheme also continues the award of extended payments. An extended payment is 4 weeks extra Council Tax Support, awarded when a claimant or their partner start work (including self-employment) or their hours or earnings from your current employment increase (for a period of at least five weeks)

## 6 **Comments of Other Committees**

This report has not been considered by any other committees.

## 7 **Conclusion**

Members are requested to approve the new income banded Council Tax Support scheme for 2020-21.

## 8 **Appendices Attached**

- 'A' - Council Tax Support scheme 2020-21
- 'B' - Equality Impact Assessment
- 'C' - CTS Income Bands

## 9 **Background Papers**

- '1' - Council Tax Support scheme 2019-20
- '2' - Council Tax Support legislation
- '3' - The Council Tax reduction schemes (amendment) (England) Regulations. 2017 no. 1305