

COUNCIL MEETING – 15 DECEMBER 2020

LOCALISED COUNCIL TAX SUPPORT SCHEME 2021/22

1.0 Purpose of Report

- 1.1 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 requires the local authority to consider whether each financial year the scheme is to be revised or replaced. The authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect
- 1.2 This report asks Members to confirm the continuation of the current Localised Council Tax Support Scheme implemented 1 April 2013 for the 2021/22 financial year with minor changes – that is to seek approval to uprate the income and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works and Pensions.
- 1.3 The annual uprating of the income and disregard criteria will demonstrate that the Council has continued to consider its obligations to vulnerable groups by maintaining the income disregards and premiums to protect families with children and claimants with disabilities.

2.0 Background Information

- 2.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit scheme was abolished and in accordance with the Local Government Act 2013 local authorities were required to introduce Localised Council Tax Support schemes from 1 April 2013.
- 2.2 Government funding for the new schemes was reduced by approximately 10%, for Newark and Sherwood claimants this amounted to around £1m.
- 2.3 Support for Council Tax is now offered as reductions within the council tax system with claimants of state pension age receiving a discount of up to 100% thereby ensuring that they receive no reduction in support as a direct result of the reform.
- 2.4 Localisation provided local authorities with the flexibility to design Council Tax Support schemes for working age claimants taking into account the needs of vulnerable groups and the importance of supporting work incentives. Following a full consultation exercise, the Council agreed at their meeting of 29 January 2013 to adopt a scheme that:-
 - a) Places a restriction of 80% of the maximum liability that Council Tax Support would cover.
 - b) Limits the maximum award of Council Tax Support to the equivalent of a council tax band A charge where this is lower than a) above.
 - c) No entitlement to Council Tax Support where claimants have in excess of £16,000 in capital.
 - d) Second Adult Rebate Scheme does not form part of the Localised Council Tax Support Scheme.
 - e) Non-dependant deductions were increased by 20%.
 - g) Entitlement to extended payments was increased from the four weeks to six weeks.

3.0 Impact of the Changes

- 3.1 As at the end of November 2020, the number of working age claimants eligible for Council Tax Support was 3,988 and the number of pensioners eligible for Council Tax Support was 3,067.
- 3.2 The value of support awarded to date is £6.9m, in line with the forecast expenditure for the scheme.

4.0 Equalities Implications

- 4.1 An equality impact assessment was completed prior to the Localised Council Tax Support scheme being implemented in April 2013.
- 4.2 In consideration of the obligation to consider vulnerable groups within the design of a local scheme child benefit continues to be disregarded as income and the disability premiums within the council tax benefit calculation were retained to protect families with children and people with disabilities.
- 4.3 Each year the Department for Works & Pensions uprates the income and disregard amounts to account for inflation. By applying the annual uprating of income and disregards to the 2021/22 scheme the Council will continue to demonstrate that it has considered its obligations to consider vulnerable groups within the design of its local scheme.

5.0 RECOMMENDATION

That the Council continues to adopt the existing Localised Council Tax Support Scheme for all potential claimants for the financial year 2021/22 and uprates the income disregards and premiums in accordance with the Departments for Works & Pensions annual uprating criteria for 2021/22.

Background Papers

Nil.

For further information please contact Phil Ward, Business Manager – Revenues & Benefits on extension 5347.

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