

INTRODUCTION OF A BANDED INCOME COUNCIL TAX SUPPORT SCHEME FOR 2020/21

REPORT OF: HEAD OF CORPORATE RESOURCES
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Wards Affected: All
Key Decision: No
Report to: Scrutiny Committee for Leader, Finance and Performance
20th November 2019

Purpose of Report

1. To present the findings of the public consultation for the proposed new Council Tax Support Banded Income Scheme (CTS) to the Scrutiny Committee.

Summary

2. Following the consultation undertaken with the public, external stakeholders and major preceptors, the Committee is asked to recommend the proposed Council Tax Support Banded Income Scheme for approval by Council on the 18th December 2019.
3. The adjustments to the scheme if approved by Council will be effective from 1st April 2020
4. The Local Government Finance Act 1982 requires a local authority to have approved a scheme for the provision of Council Tax Support in 2020/21 by 11th March 2020.

Recommendations

5. That all aspects of the proposed new Council Tax Support Scheme as detailed in Appendix B are recommended for adoption by Council on 18th December 2019.

Background

6. On 4th September 2019 a report on this new scheme was presented at the Scrutiny Committee for Leader, Finance and Performance.
7. The report detailed the recommended changes for a revised scheme which if approved by Council will be effective from April 2020. The report outlined the proposed consultation from the 6th September 2019 to the 1st November 2019 on the proposals.
8. Any proposed change would only relate to working age residents. The pensionable age regulations for Council Tax Support are prescribed by Central Government and are therefore out of scope for review by Local Authorities.

Consultation Process

9. The consultation was available online. Included within the consultation document was a link to an online calculator where residents could input individual circumstances to compare results for the current scheme with the proposed new scheme.
10. The consultation was publicised on our website, in meetings with stakeholders, by press release, on email signatures and envelopes from all outgoing post from the revenues and benefits teams.
11. The Service consulted with internal and major external stakeholders such as the local Job Centre, foodbanks, social landlords, 'Stepchange' (A national charity offering debt advice) and Citizens Advice West Sussex (CAWS) and major preceptors (West Sussex County Council and the Sussex Police and Crime Commissioners Office). This was done in a stakeholder forum and also by email for those who did not attend.
12. The consultation was open to all residents in Mid Sussex.

13. The total number of residents that responded to the consultation was very low; there were only 6 responses, 5 of those who are currently in receipt of Council Tax Support.
14. Households that were identified as likely to see a greater reduction in support under the proposed new scheme were emailed directly to ask them to take part in the consultation. They were advised that the Benefits Service would like to work with them to try and minimise any financial hardship they would be subject to if the changes were approved. Of these households we only received one response. The respondent chose to remain anonymous.
15. Responses from internal and external stakeholder were generally positive. Only one concern was raised; CAWS requested a separate meeting to discuss application of the minimum income floor for self-employed people as they have concerns of the effect it has on residents when it is applied in Universal Credit (UC).
16. Responses from residents who are in receipt of Council Tax Support were varied. This is to be expected as, although overall the brief has been for the scheme to remain cost neutral or increase cost, due to the nature of the scheme there will be those whose support will increase and others whose support will reduce.
17. While it is not possible to offer a blanket policy of transitional protection the Revenues and Benefits Service have committed to working with those who will be most adversely affected to assist them following the transition.
18. It should also be considered that although residents will see a financial impact in the level of support they receive it is the intention that they will find budgeting easier if their award remains the same throughout the year rather than changing each time they have a small change in income.
19. Further responses to the individual questions can be found in appendix A.

Further Steps

20. Should the scheme be approved, the Revenues and Benefit Service will again contact those who are likely to see much smaller awards under the proposed new scheme to try to provide assistance to them prior to the commencement of the new scheme in April 2020.
21. This assistance will include seeing if they are entitled to any additional discounts, exemption, benefits and other financial help or by using our Employment Project Co-ordinator to help them in finding employment or increasing their earnings.
22. The service will begin to communicate with claimants that are currently self-employed to advise them of the changes to the scheme they will face with the introduction of the minimum income floor from April 2021.

Policy Context

23. The Council Tax Support scheme for 2020/21 will need to be amended and approved by full Council by the 11th March 2020, although there is a need to do it before this to ensure the timely and accurate Council Tax Billing for 2020/21. Our timetable complies with this.

Financial Implications

24. It is anticipated that the cost of the scheme will be 0.68% higher than the current scheme. A breakdown of the figures is available in Appendix B. The revised figures have been calculated using the same scheme as the previous report but with current data on claimants and their income. Please note that these figures will continue to change up to, and after, April 2020.

Equality and Customer Service Implications

26. An Equalities Impact Assessment has been prepared and is attached as Appendix D

Other Material Implications

27. The Local Government Finance Act 1992 (Schedule 1A) as amended by The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 requires Council to approve a scheme for 2020/21 by 11th March 2020. The Act contains a statutory duty to consult on a proposed scheme, with guiding principles for fair consultation set out in case law. These Regulations do not impose a requirement on authorities in relation to what specific information and evidence they should obtain or indeed implement from such a consultation.

Appendices

- A. Consultation Feedback
- B. Banded Income Scheme data
- C. Minimum Income Floor application
- D. Equality Impact Assessment