

	<b>Insert name and date of meeting in this box.</b>  <b>Executive 13 November 2019</b>	<b>Agenda Item No.</b>  <b>6</b>
	<b>Title</b>	Council Tax Reduction Scheme 2020/2021
<b>For further information about this report please contact</b>	Andrea Wyatt. Ext 6831	
<b>Wards of the District directly affected</b>		
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive 9 <sup>th</sup> January 2019	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes
<b>Equality Impact Assessment Undertaken</b>	No
No changes to the current schemes are proposed.	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	28/10/2019	Chris Elliott
Head of Service	28/10/2019	Mike Snow
CMT	28/10/2019	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	28/10/2019	Mike Snow
Monitoring Officer	28/10/2019	Andrew Jones
Finance	28/10/2019	Mike Snow
Portfolio Holder(s)	28/10/2019	Cllr Richard Hales
<b>Consultation &amp; Community Engagement</b>		
N/A		
<b>Final Decision?</b>	Yes – subject to full Council	
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 In April 2019 a new Council Tax Reduction banded scheme was introduced for claimants in receipt of Universal Credit. It was proposed that this would be rolled out to the remaining caseload from April 2020; at the time of the proposal it was anticipated that the majority of claimants would have moved over to Universal Credit. However the migration of existing case load to Universal credit has been stalled by the Department of Work and Pensions and there is no firm commitment as to when and how this process may take place.

## 2. **Recommendation**

- 2.1 That Executive recommend to Council that the banded Council Tax Reduction scheme continues for Universal Credit customers only.
- 2.2 That Executive recommend to Council that delegated power be given to the Head of Finance in consultation with the Finance portfolio holder to agree any further annual deferment of the roll out of the banded scheme.

## 3. **Reasons for the Recommendation**

- 3.1 The Council agreed to introduced the Council Tax Reduction banded scheme in April 2019 for claimants in receipt of Universal Credit. At that time , the Department for Work and Pensions planned to migrate the existing Housing Benefit working age claims onto Universal Credit during 2019/20. However, the Department for Work and Pensions have halted the migration process, and to date there is no information available about how and when the existing case load might be migrated. Therefore only new Benefit claimants and those who have certain changes in their circumstances can claim Universal Credit.
- 3.2 The new banded Council Tax Reduction scheme has been designed to align closer with the Universal Credit scheme, and to be easier for claimants to understand, and to be easier to administer. Prior to April 2019, all working age claims for Council Tax Reduction were assessed based on a means tested Council Tax Benefit scheme which is broadly similar to the Housing Benefit scheme.
- 3.3 The original intention was for all working age Council Tax Reduction claimants to be moved on to the banded scheme from April 2020, in line with them moving onto Universal Credit. Eventually, it is anticipated that these customers will be gradually moved from Housing Benefit to Universal Credit. It would be more sensible to move them to the banded scheme at that point. Further migration to the banded scheme should be reconsidered by the Council in 12 months time based on the latest information on the rollout of Universal Credit.
- 3.4 If the migration of claimants to Universal Credit is further delayed, or does not happen, it is proposed to be delegated to the Head of Finance in consultation with the Finance portfolio to agree any further deferment of the roll out of the banded scheme.
- 3.5 Council Tax Recution claimants on pensionable age are to continue to receive benefit in line with the former Council Tax Benefit scheme. These claimants are not planned by the DWP to be moved onto Universal Credit.

## 4. **Policy Framework**

#### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
The Council Tax Reduction scheme assists people on low incomes to pay their council tax. This helps prevent customers from falling into debt and therefore assists in preventing health conditions which may arise as a result of debt. The impact should be minimal as we aim to maintain the two schemes as they are.		The scheme helps those on low incomes including those who are self employed.
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money

right skills and right behaviours		
<b>Impacts of Proposal</b>		
The banded scheme was intended to remove the complexities of the scheme making it easier to administer and this works well for universal credit customers. To introduce a banded scheme for the remaining caseload not in receipt of universal credit would result in replacing one complex scheme with another.	There will be less confusion for customers.	All customers will continue to receive entitlement at the current rates if their circumstances remain the same.

#### 4.2 **Supporting Strategies**

There are currently circa 63,000 tax payers within Warwick District, and of these there are 3,350 people of working age who claim Council Tax Reduction. It is important to ensure that help continues to be available to those who most need it whilst maintaining a cost effective scheme if we are to re-assure all of our tax payers that we continue to provide value for money. To remove the help people currently receive in assistance to pay their council tax could result in plunging some of the most vulnerable people in society further into poverty. This would contravene the Council's vision to make Warwick District a great place to live, work and visit. However, the work of Warwick District Council, the County Council and the Police Authority is also important in achieving this vision and it is important to minimise funding cuts wherever possible to help maintain and improve the level of services provided to the whole of the District.

#### 4.3 **Changes to Existing Policies**

There will be no changes to existing policies.

### 5. **Budgetary Framework**

- 5.1 The cost of the Local Council Tax Reduction scheme in 2018/19 is estimated at £6.1m, with £2.9m for working age customers. This cost is shared with the precepting authorities through the Collection Fund, this being proportionate to the council tax. Warwick District Council's share is £560,000 (9.2%), whilst WCC bear £4.7m (77.6%). It is not anticipated that there will be any budgetary changes as a result of this report.

### 6. **Risks**

No risks have been identified.

### 7. **Alternative Option(s) considered**

- 7.1 All working age claimants could be moved to a banded reduction scheme, however this would require a new scheme writing for non Universal Credit

customers and would be more complex to administer than the current means tested and banded schemes.

## 8. **Background**

- 8.1 The Council is required to have in place a Local Council Tax Reduction scheme for working age customers to assist those on low incomes with their council tax liability; this replaced the national Council Tax Benefit scheme from April 2013. The Council continued to maintain a means tested scheme based on the old benefit scheme, until April 2019 when a new banded scheme was introduced for claimants in receipt of Universal Credit.