

TITLE	Council Tax Reduction Scheme
FOR CONSIDERATION BY	Council on 21 January 2021
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

The adoption of a Localised Council Tax Reduction Scheme (CTRS) will ensure that all working age borough residents who may experience financial difficulties in paying their council tax liabilities have access to a scheme of assistance, designed locally, offering financial help to them.

The local CTRS does not impact pensioners who still come under the Government's "prescribed scheme"

RECOMMENDATION

That the Council agree the proposed Council Tax Reduction Scheme for 2021/22:

- 1) a local CTR scheme for 2021/22 is adopted on the same basis as the 2020/21 scheme with the addition of disregarding Carers Allowance in the award calculation
- 2) that the full disregard currently allowed for War Widows and War Disability Pensions is continued from 1st April 2021 in respect of the Prescribed and Local Council Tax Reduction Scheme and Housing Benefit schemes
- 3) that funds be made available to the hardship fund, known as Section 13a (S13a) scheme, for those who cannot pay their council tax liabilities.
- 4) Members to note the linkages to the broader Anti-Poverty strategy of both the Council Tax Reduction Scheme and the S13a scheme.

SUMMARY OF REPORT

Each year Wokingham Borough Council has to decide a Council Tax Reduction Scheme (CTRS) that fulfils the purpose of supporting our most vulnerable residents and is contained within agreed budgets.

Wokingham Borough Council has reviewed its current CTRS, assessing its impact and effectiveness.

After the review and consultation, the CTR Scheme that WBC proposes to implement for 2021/22 will be the same as for 2020/21 with addition of disregarding Carers Allowance.

Background

COUNCIL TAX REDUCTION

In April 2013 Council Tax Benefit (CTB) was abolished and replaced by Council Tax Reduction Scheme (CTRS). This was accompanied by a 10% reduction in Government funding, which was equivalent to around £600k to WBC, and schemes were written to reflect this. The funding for this was withdrawn from 2015 and was then incorporated within the Revenue Support Grant, which was reduced to zero in 2018 for WBC.

This scheme is not provision of grant to individuals but a reduction in the amount of council tax they are required to pay; this means that there is no budget as such but a reduction in the level of council tax receipts.

Therefore when considering a new or revised scheme, various alternatives are modelled in the context of affordability which considers the overall impact on the recipients benefiting from the scheme and the Council's collection fund.

The main features of the scheme are:

- It is an income-banded scheme
- There is no provision for back-dating awards, prior to the claim date
- the minimum level of support available is set at £3.00 per week
- the maximum level of support is 78% of council tax liability
- claims restricted to Band D and below
- an investments and savings limit of £4,000
- Disability Living Allowance/Personal Independence Payments, Armed Forces Independence Payments and War Disablement Payments are disregarded.
- Child Benefit and Child Maintenance are disregarded.
- Carers Allowance disregarded (proposed for 2021/22)

In addition to the CTR scheme the Council is also doing what it can to assist those in hardship which includes:

- £150 Hardship Payment for each CTR recipient paid against their council tax*
- Test & Trace Support Payments for those on low income who have to self-isolate*
- Winter Grant*
- Council lead voluntary support for the vulnerable
- Local Welfare Provision
- Discretionary Housing Payments
- Section 13a scheme.

**Please note that further guidance from Central Government may change what support is available as the pandemic continues.*

It should be noted that the local CTRS only impacts on those of working age. Pensioners are assessed and awarded under the Government's "prescribed scheme".

Annual review

Each year, all collecting local authorities are required to review their scheme and consider whether changes should be made. In considering a review for our CTRS, the following criteria have been considered:

- How the current scheme is working both directly for residents/recipients and administratively
- Financial impact to the council, all its residents and recipients of CTR
- Impact on council tax collection rates on an overall basis and broken down to recipients of CTR.

Other considerations:

- Any known future changes to government legislation/schemes and funding as well as other activity at a local level
- Effectiveness of the S13a scheme (hardship fund available to assist those residents who cannot pay their council tax for a variety of reasons)
- Available additional fund of £100k to assist those residents in receipt of CTR who have been severely impacted by CTRS changes (claimed under S13a scheme)
- Financial status of the Council and its balances
- The impact of the COVID pandemic on the Council and its residents.

Findings

- Generally administration of CTR has worked well and without any substantial problems or issues;
- We have had a low level of tribunal cases
- Previous years have shown that the scheme has been affordable for the Council
- Overall council tax collection has held up relatively well including payments by those in the CTR scheme and is mainly on target, despite the pandemic. The services (Income & Assessments) continue to analyse the impact of COVID on the CTRS, the effect on the vulnerable and how this impacts on collection levels.
- There are a small number of claims made to the S13a scheme (hardship fund) each year. This scheme is discretionary and assists those residents who are unable to pay their council tax due to hardship. A policy is agreed each year and the scheme advertised on our website (<https://www.wokingham.gov.uk/council-tax/discounts-and-appeals/council-tax-discounts-and-reductions/>).

Table on spend below:

Year	Spend on S13a awards	Number of awards
13/14	£2,383.93	5
14/15	£4,766.88	10
15/16	£5,804.00	14
16/17	£8,978.22	15
17/18	£16,227.13	15
18/19	£10,682.05	11
19/20	£13,544.70	16
20/21	£10,421.04 (to 29.12.20)	17

Council Tax Reduction Scheme 2021/22 - Recommendation

A public consultation was carried out and overall the data collected from the responses would suggest that residents felt that vulnerable groups should be protected and that no adverse change to the scheme would be supported. As Carers Allowance is currently taken into account in the calculation it is proposed that Carers Allowance is disregarded in the 2021/22 scheme.

The results of the public consultation were reviewed by Corporate Leadership Team and Community & Corporate Overview & Scrutiny Committee.

When devising a scheme we have to consider both the impact on the residents eligible to receive CTR and all residents who pay council tax, along with the financial impact it will have on the council and its delivery of services.

The impact of COVID still remains a key issue for the Council and it needs to be able to react appropriately to provide whatever support we can to those in genuine hardship in accordance with our commitments under the emerging Anti-Poverty Strategy. CTRS and S13a scheme are and will remain a source of help to fulfil this.

In conclusion it is recommended that the scheme remains the same for 2021/22 with the addition that Carer Allowance is disregarded, which results in a more generous scheme. This addition is affordable within current collection fund balances.

Summary

As a result of reviewing the current scheme, consultation with the public and the financial circumstances of the authority, it is proposed that a local CTR scheme for 2021/22 is approved by Council on 21st January 2021 on the same basis as the 2020/21 scheme, with the addition of disregarding Carers Allowance.

Protection to pensioners would still apply.

The Council remains aware that a relief scheme such as CTRS may exclude some claimants who, in the short term at least, are unable to improve their financial circumstances. This may present them with difficulties in paying council tax liabilities. In this respect, the provision for further discretionary reductions is to be made under Section 13A(l)(c) of the Local Government Finance Act 1992 as substituted by the Local Government Finance Bill 2012.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£4 mill (20/21)	Yes	Revenue

Next Financial Year (Year 2)	£4.2 mill (21/22)	Yes	Revenue
Following Financial Year (Year 3)	Not decided		

Other financial information relevant to the Recommendation/Decision
Provision has been made for the current scheme and disregarding Carers Allowance within the MTFP.

Cross-Council Implications
None

Public Sector Equality Duty
The Scheme is in the main the same as the previous year when an equality assessment was carried out. This has been reviewed to ensure all things still remain relevant and mitigation effective. An initial assessment was made for 2021/22 as there is a proposed change, although it is a positive one.

List of Background Papers
<ul style="list-style-type: none"> - The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012 No. 2885), as amended - The Welfare Reform Act 2012 - The Equality Act 2010 - The Housing Act 1996 - Initial EQIA

Contact Nicky Thomas	Service Assessments, Resources & Assets
Telephone No 07780 883863	Email nicky.thomas@wokingham.gov.uk

This page is intentionally left blank