

## **NON EXEMPT**

## **HAVANT BOROUGH COUNCIL**

## **CABINET**

**18<sup>th</sup> December 2019**

### **Council Tax Support Scheme 2020/21**

**Report by Brian Wood – Head of Customer Services**

### **FOR DECISION**

**Portfolio: Cabinet Lead for People and Communications – Cllr Lulu Bowerman**

**Key Decision: Yes**

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#### **1.0 Purpose of Report**

1.1 To agree the Council Tax Support Scheme for 2020/21

#### **2.0 Recommendation**

2.1 That Cabinet recommend to Council the following:

- 1) that the 2019/20 Council Tax Support Scheme is retained for 2020/21 but with the following amendments:
  - (i) the Allowances and Premiums used in determining entitlement for working age claims are changed as set out in paragraph 5.3 of this report
  - (ii) the Non-Dependant deductions used in determining entitlement for working age claims are changed as set out in paragraph 5.4 of this report.
- 2) that the necessary amendments are made to the Council Tax Support Scheme document and that it is then published in accordance with Local Government Finance Act 1992 Section 13A(2)

#### **3.0 Summary**

3.1 The localised Council Tax Support scheme was introduced by the Local Government Finance Act 2012 to replace the national Council Tax Benefit Scheme from 1/4/13

3.2 The legislation imposes a duty on each Council to adopt a scheme by 11 March each year to apply for the forthcoming financial year

3.3 This report puts forward a recommended approach for 2020/21.

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### 4.0 HBC's current scheme

- 4.1 HBC's current scheme is based on the Ministry of Housing, Communities & Local Government (MHCLG) default scheme (which mirrored the former council tax benefit scheme) but with a reduced maximum amount of support available for certain working age households.
- 4.2 The scheme requires a minimum payment of 8.5% of the council tax liability from all working age households apart from those in receipt of disability related incomes. For these households, the scheme therefore offers a slightly reduced level of support compared to the former council tax benefit scheme.
- 4.3 Scheme expenditure and caseload has reduced since 2013/14 mainly because of the improving economic situation;

#### Council Tax support scheme caseload and expenditure

	Cases in payment on 31 March	Amount of benefit paid out	note
2012/13	11,118	£9,174,118	last year of council tax benefit
2013/14	10,569	£8,632,007	
2014/15	10,059	£8,207,832	
2015/16	9,788	£7,916,713	
2016/17	9,654	£8,013,050	
2017/18	9,298	£8,341,559	
2018/19	9,123	£8,392,266	
2019/20	8,922	£8,534,816	Actual as at 31/07/19
2020/21	8,872	£8,802,930	Estimated cost for the year

### 5.0 2020/21 scheme and Hardship Fund

- 5.1 The estimated cost of retaining the current scheme for 2020/21 is £8,802,930.

This estimate assumes that the current caseload pattern continues for the remainder of 2019/20 and through 2020/21. The estimate also takes account of the possibility that the relevant precepting authorities will levy the same increase in their Council Tax precept from 1 April 2020 as was levied in 1 April 2019.

- 5.2 Uprating – this is the process under which various elements (Personal Allowances, Premiums and Non-Dependant deductions) used in the calculation of entitlement under the scheme are altered to reflect inflation and changes to the level of pensions and other Benefits.
- 5.3 Personal Allowances and Premiums – the arrangements for pensioners within our scheme are prescribed by the MHCLG and they will be advising Councils of the new figures that must be included in our scheme for 2020/21. However, for working age claims it is for the Council to decide. The Personal Allowances and

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Premiums in our current scheme match those that are used to calculate Housing Benefit for working age claimants. To retain this consistency with the Housing Benefit scheme, it is recommended that the Council adopts the same figures that the DWP will be specifying for the Housing Benefit scheme for 2020/21. The DWP will advise councils of these in due course but it is expected that the DWP will continue to freeze the personal allowances and premiums for 2020/21.

- 5.4 Non-Dependant deductions – our current Council Tax Support scheme includes the same levels for non-dependant deductions for both pension age and working age claims. The MHCLG will be prescribing the revised non dependant deduction levels for pension age claims and to retain consistency, it is recommended that the revised figures set by the MHCLG for pension age claims for 2020/21 are also adopted for working age claims for 2020/21. The MHCLG will advise councils of the amounts in due course
- 5.5 To continue a Council Tax Support Hardship Fund to support the most vulnerable Council Tax Support customers to:
- (ii) Allow a short period of time to adjust to unforeseen short-term financial circumstances whilst the applicant seeks alternative solutions.
  - (iii) Support the applicant in managing their finances
  - (iii) Help the applicant through personal circumstances and difficult events that affect their finances
  - (iiv) Prevent exceptional hardship
  - (iV) Support those who are trying to help themselves financially

The expected cost would be £5,000.

## **6.0 Implications**

### **6.1 Resources:**

Considering the assumptions outlined in paragraphs 5.1 – 5.4, the estimated cost of retaining the current scheme for 2020/21 is £8,802,930. Retaining the current scheme would require no increase in staffing or other administration costs

It is planned to carry out a full review of the Council Tax Support scheme to introduce a simplified banded Council Tax Support scheme in readiness for 2021/22.

### **6.2 Legal:**

The Council has a statutory duty to operate a Council Tax Support scheme. Any changes to the current scheme for 2020/21 must be adopted by full Council by 11/03/2020.

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### **6.3 Strategy:**

The Council Tax Support scheme provides financial assistance to those on low incomes. The proposed scheme retains comparable levels of support to those provided for in the scheme.

### **6.4 Risks:**

A full Customer Impact Assessment of the proposed 2013/14 scheme was completed during 2012. The proposed scheme for 2020/21 differs only marginally from the 2013/14 scheme.

An increase in caseload would lead to an increase in the cost of the scheme. However, the trend over the last 18 months has been for caseload to slightly decrease but the reduction appears to have slowed.

### **6.5 Communications:**

Hampshire County Council will be advised of the proposed scheme for 2020/21 on behalf of the major precepting authorities. It is not anticipated that they will have any difficulties with the proposal. As the proposed scheme for 2020/21 retains comparable levels of support to those in the 2019/20 scheme, it is considered unnecessary to undertake any further public consultation.

### **6.6 For the Community:**

The Council Tax Support scheme provides financial assistance to those on low incomes. The proposed scheme for 2020/21 retains comparable levels of support to those provided for in the 2019/20 scheme and does not therefore impose any significant additional burden on council tax payers.

### **6.7 The Integrated Impact Assessment (IIA) has been completed and concluded the following:**

An Integrated Impact Assessment (IIA) of the 2013/14 scheme was completed in 2012.

## **7.0 Consultation**

Cllr Lulu Bowerman  
Revenues and Benefits Contract Manager (Client)  
Director of Corporate Services  
Monitoring Officer  
Head of Housing and Communities  
Hampshire County Council will be made aware of the proposed scheme.

## **Appendices:**

None

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### **Background Papers:**

None

### **Agreed and signed off by:**

Monitoring Officer: (13<sup>th</sup> September 2019) David Brown

S151 Officer: (29<sup>th</sup> October 2019) Lydia Morrison

Director: (29<sup>th</sup> October 2019) Lydia Morrison

Portfolio Holder: (29<sup>th</sup> October 2019) Lulu Bowerman

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