

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 5 NOVEMBER 2019
REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND
CULTURAL SERVICES)

LOCALISED COUNCIL TAX SUPPORT SCHEME – 2020/21

1 Executive Summary

- 1.1 The Council's Council Tax Support Scheme replaced council tax benefits from April 2013. Our scheme was based on a broad framework agreed as part of a consultation undertaken with Hertfordshire County Council, Hertfordshire Police and Crime Commissioner and other interested parties.
- 1.2 Much of the old council tax benefits scheme was retained within our local support scheme and we have continued to protect pensioners, disabled claimants and claimants with children under five. This was achieved by calculating council tax support on 75% of the council tax liability and not 100%, and this was applied to working age claimants.
- 1.3 The purpose of this report is to inform Cabinet that it is our intention in 2020/21 to continue with the same council tax support scheme that Welwyn Hatfield Borough Council rolled out in 2019/20. Consultation has taken place with Hertfordshire County Council and Hertfordshire Police and Crime Commissioner on our intention to continue with the same scheme. Both Hertfordshire County Council and Hertfordshire Police and Crime Commissioner have responded to say that they are in agreement with our approach.

2 Recommendation(s)

- 2.1 Cabinet recommend to Full Council that our localised council tax support scheme continues in 2020/21 to help people on low/no income to receive a reduction on their council tax.

3 Explanation

- 3.1 The Council's localised council tax support scheme is based on a reduction of 25% in council tax liability whilst still protecting some vulnerable groups. This means a claimant's assessed entitlement is calculated on 75% of the council tax bill.
- 3.2 Our scheme fully protects pensioners and families with children under 5 and those in receipt of Personal Independence Payments (PIP) (formerly disability living allowance) so that they continue to receive the same level of protection, and do not have to pay anymore council tax than they paid under the old council tax benefit system. This protects claimants with a disability premium, severe disability premium, child disability and families with young children.

- 3.3 Other claimants have an additional 25% to pay compared to the former council tax benefits scheme.

Implications

4 Legal Implication(s)

- 4.1 The Local Government Finance Act 2012 came into force on 31 October 2012 and imposed a duty on local billing authorities to introduce a localised council tax reduction scheme by January 2013. The scheme aligns with Universal Credit and support work incentives, and avoids disincentives to move into work. For pensioners there is no change in their level of awards and local authorities are required to consider ensuring support for other vulnerable groups.

5 Financial Implication(s)

- 5.1 Based on the latest data available, the expenditure on the 2019/20 council tax support scheme currently stands at £7m.
- 5.2 The cost of the council tax support scheme is met from within the collection fund through a reduced tax base. The cost therefore has to be estimated prior to the setting of the tax base which will then inform the Council Tax Resolution.
- 5.3 The cost of the council tax support scheme in Welwyn Hatfield for 2020/21 is forecast to continue at a similar level to the current year. However, the accuracy of this forecast will depend on the wider economic conditions outside the Council's control.

6 Risk Management Implications

- 6.1 The key financial risk related to our council tax support scheme is the possible loss of council tax revenue if less well-off residents are unable to pay. This is mitigated by assuming an element of non-collection within the tax base but a greater level of non-collection, or increase in demand for support, would need to be met by the major preceptors and this Council would need to find its share.
- 6.2 If demand is higher than estimated the collection fund will go into deficit and if demand is lower than estimated this would result in a surplus.

7 Security & Terrorism Implication(s)

- 7.1 There are no security and terrorism implications with the recommendation in this report.

8 Procurement Implication(s)

- 8.1 There are none.

9 Climate Change Implication(s)

- 9.1 The proposals in this report will not impact on greenhouse gas emissions.

10 Human Resources Implication(s)

- 10.1 There are none.

11 Health and Wellbeing Implication(s)

- 11.1 Those people who are on a means tested benefit required to meet their basic living needs could also be in receipt of council tax support which they require to meet their council tax liability. Any changes to the council tax support they receive could cause financial hardship.

12 Communication and Engagement Implication(s)

- 12.1 There has been liaison with Hertfordshire County Council and the Police & Crime Commissioner on our council tax support scheme proposal.

13 Link to Corporate Priorities

- 13.1 The subject of this report is linked to the Council's Corporate Priority: Our Council and promoting equality and fairness.

14 Equality and Diversity

- 11.1 A full and detailed Equality Impact Assessment was carried out on the Council's localised council tax support scheme. This resulted in a focus group meeting to ensure that the range of impacts on different categories of claimants was understood and that our overall work was robust and resilient to challenge. The focus group consisted of a mixture of individuals from the Borough Panel, the Tenants Panel (Housing Trust), the Residents Scrutiny Panel; Herts Action on Disability, Citizens Advice, Hertfordshire County Council's Money Advice Unit and Individual's interested in consultation on these kinds of issues.

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