

Cabinet (Resources) Panel

11 November 2020

Report title	Council Tax Support Scheme	
Decision Designation	AMBER	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Key decision	Yes	
In Forward Plan	Yes	
Wards affected	All Wards	
Accountable director	Claire Nye, Director of Finance	
Originating service	Revenues and Benefits	
Accountable employee	Tracey Richards	Head of Revenues and Benefits
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Report to be/has been considered by	Finance Leadership Team	20 October 2020
	Strategic Executive Board	27 October 2020

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve proposals to revise the scheme for 2021-2022 as outlined in the report, subject to consultation with the West Midlands Combined Authority and the Fire and Police precepting bodies.

1.0 Purpose

- 1.1 This report seeks approval for two changes to the Local Council Tax Support Scheme with effect from 1 April 2021 subject to consultation with the West Midlands Combined Authority and the Fire and Police precepting bodies. The changes will provide additional council support to claimants.
- 1.2 The first change is to allow claimants who are living in temporary accommodation, where the Council has made the accommodation available to the renter, to have an award of council tax support from the start of their accommodation regardless of the date of application.
- 1.3 The second is to bring forward the date a council tax support claim is paid, to Universal Credit Claimants, to the date of their Universal Claim.

2.0 Background

- 2.1 Since the abolition of the national council tax benefit scheme in 2013, the Council has been responsible for designing its own scheme of council tax support.
- 2.2 Several revisions have been made to our local scheme since 2013 however assessment for support remains similar to the principles used for council tax benefit.
- 2.3 Essentially the process involves collecting detailed income and household data. Complex rules are then applied to determine how much of each income type is counted. Other rules determine a 'needs allowance' for the household, considering things like the number of children and disabilities.
- 2.4 Within the current caseload, 53% of claims include universal credit as an income. Every change in income or circumstance of any member of the household triggers a reassessment of council tax support, regardless of whether it leads to a change in entitlement. Any change in entitlement more or less than £3 per week has the potential to trigger a revised bill and, potentially resetting of recovery action
- 2.5 Eligibility rules for people of pensionable age are set by Government. Any review of our local scheme therefore would be restricted to people of working age.
- 2.6 The following table provides a comparison of the change in value of council tax support from 2019-2020 to 2020-2021:

	2019-2020		2020-2021	
	Caseload 000	Value £000	Caseload 000	Value £000
Working age	15.2	10,200	16.7	12,339
Pensioner	9.8	10,250	9.6	9,965
Total	25	20,450	26.3	22,303

3.0 Proposals for change in 2021-2022, subject to consultation with preceptors

- 3.1 For claimants who are living in temporary accommodation, where the Council has made the accommodation available to the renter, it is proposed that the council extends the period that a council tax support claim can be backdated.
- 3.2 Due to the urgency and often fragile situation when an individual is placed into temporary accommodation, there are often delays in the notification and completion of appropriate processes. Currently claims for Council Tax Support can only be backdated for the maximum of one month, in all cases. It is recommended to extend this to up to a period of one financial year for households who are placed in temporary accommodation.
- 3.3 An analysis of cases that would have been eligible for an additional award of Council Tax Support during 2019-2020 identified an additional £11,000 would have been awarded.
- 3.4 It is also proposed that the date a council tax support claim is paid from, is brought forward for Universal Credit Claimants. Currently a claim is paid from the Monday after the claim is received. If the council were to pay from the date of the universal credit claim, this would provide a small increase in the amount of council tax support awarded. However, the alignment of the dates will allow for automation of the award and therefore reduce the administrative demands on the service. An analysis of cases that would have been eligible for an additional award of Council Tax Support during 2019-2020 identified that an additional £11,000 would have been awarded.
- 3.5 It is proposed that consultation on the proposed changes will be undertaken with the West Midlands Combined Authority and the Fire and Police precepting bodies.

4.0 Evaluation of Alternative Options

- 4.1 The alternative option is not to make any changes to the Council Tax Support Scheme. However, this would not provide the benefits to the claimants that the proposals offer. It would also not provide the efficiencies in the administration that can be gained by automating the process as a result of the changes.

5.0 Reason for Decision

- 5.1 In order to provide the benefits to both the claimant and the council outlined in section 3 it is recommended that the proposals are taken forward to consultation.

6.0 Financial implications

- 6.1 It is estimated that the cost of the both proposals will be in the region of £22,000. However, it is anticipated that these costs will be offset by a reduction in the cost of the service due to efficiencies in administration and collection activities due to automation of the process.

[CN/30102020/A]

7.0 Legal implications

- 7.1 There are no legal implications at this stage however should a decision to revise the scheme be taken in the future then the Local Government Finance Act sets out requirements for consultation and decision making.
[SZ/23102020/P]

8.0 Equalities implications

- 8.1. There are no equalities implications at this stage however understanding and consideration of equalities impacts will be a significant element of the development of any revised scheme.

9.0 Climate change and environmental implications

- 9.1. There are no climate change and environmental implication arising from the recommendations of the report.

10.0 Human resources implications

- 10.1. There are no human resources implications arising from the recommendation of the report.

11.0 Corporate landlord implications

- 11.1. There are no Corporate landlord implications arising from the recommendation of the report.

12.0 Health and Wellbeing

- 12.1 There are no health and wellbeing implications arising from the recommendation of the report

13.0 Covid implications

- 13.1 There are no Covid implications arising from the recommendation of the report.

14.0 Schedule of background papers

- 14.1. None