

# WEST NORTHAMPTONSHIRE COUNCIL

**2 December 2021**

**Councillor Malcolm Longley, Portfolio Holder for Finance**

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| <b>Report Title</b>  | Local Council Tax Reduction Scheme 2022-2023     |
| <b>Report Author</b> | <b>Martin Henry, Executive Director, Finance</b> |

## Contributors/Checkers/Approvers

|   |                                       |            |
|---|---------------------------------------|------------|
| <b>Monitoring Officer</b>                         | Geoff Wild, Deputy Monitoring Officer | 25/10/2021 |
| <b>Chief Finance/S151 Officer</b>                 | Martin Henry                          | 20/10/2021 |
| <b>Other Director/SME</b>                         |                                       |            |
| <b>Communications Lead/Head of Communications</b> | Claire Hughes                         | 22/10/2021 |

## List of Appendices

### Appendix A – Report on results from consultation

#### 1. Purpose of Report

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- 1.1. The purpose of this report is to (a) provide members with an update on the proposed Local Council Tax Reduction Scheme (LCTRS) for West Northamptonshire Council for the financial year 2022-2023, including the results from the recent consultation process; and (b) to ask members to approve a LCTRS for 2022-2023.

#### 2. Executive Summary

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- 2.1 The LCTRS must be approved and be in place by 31 January each year and prior to that the authority must consult with any precepting authority and any other person who may have an

interest on any proposed changes to the scheme. The scheme applies to working age claimants only, as the government prescribes the scheme for those of pension age which provides up to 100% support based on the circumstances of the individual.

- 2.2 At the Cabinet meeting of 14 September 2021, members received a report providing an update on the LCTRS for the year 2021-2022 and were asked to endorse no change to the minimum Council Tax contribution of 20% for working age claimants and to agree, for consultation purposes only, two proposals to the current scheme.
- 2.3 At their meeting on 9 November 2021, Cabinet members received a report on the results of the consultation and were asked to recommend to Council a LCTRS for the financial year 2022-2023.

### **3. Recommendations**

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3.1 It is recommended that the meeting:

- 1) Notes the contents of the report.
- 2) Approves a Local Council Tax Reduction Scheme (LCTRS) for the financial year 2022-2023 as set out in the report including amending the LCTRS Regulations for pensioners in line with the uprating announced by DLUHC and uprating the working age Regulations in line with those announced by Department for Work and Pensions (DWP)
- 3) Give delegated authority to the Executive Director Finance to make any changes to the LCTRS up to and including 31 January 2022 in consultation with the Portfolio Holder for Finance.

### **4. Reason for Recommendations (NOTE: this section is mandatory and must be completed)**

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To enable a Local Council Tax Reduction Scheme for West Northamptonshire Council to be approved for the financial year 2022-2023 and for the final scheme to be in place by 31 January 2022.

### **5. Report Background**

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- 5.1 Members will be aware that since April 2013 each Local Authority has been required to determine a LCTRS, which replaced the national Council Tax Benefit scheme. The scheme applies to working age claimants only as the government prescribes the scheme (CTRS Prescribed Requirements Regulations 2012) for those of pension age, which provides up to 100% support based on the circumstances of the individual.
- 5.2 Each billing authority has discretion as to their local scheme, including the maximum level of support available to working age claimants (and therefore the minimum percentage of the bill they are required to pay) and the eligibility criteria for the scheme.
- 5.3 For the financial year 2021-22, following a full consultation process, members agreed a LCTRS based on a minimum Council Tax contribution for working age claimants of 20% and some changes to align the previous schemes, which were mostly around mirroring the changes made

to DWP Housing Benefit scheme since 2013. The scheme has been in place across West Northamptonshire area since April 2021.

## **6. Issues and Choices**

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- 6.1 The LCTRS for the financial year 2022-23 must be approved and in place by 31 January 2022 and prior to that the authority must consult any precepting authority and any other interested parties on any changes to the scheme.
- 6.2 At the Cabinet meeting on 14 September 2021 members agreed, for consultation purposes only, two proposals to the current scheme and approved a consultation period commencing on 20 September 2021 and concluding on 16 October 2021. The consultation process included an online form open to all residents, stakeholders and those people representing organisations. A letter was sent to all those of working age who receive LCTRS, and a dedicated email address and telephone line were opened for any comments and questions to be submitted. The consultation was also widely promoted on the WNC website, social media channels and via partner organisations. Consultation has also taken place with the Police and Crime Commissioner and with town and parish councils. The proposals included in the consultation were as follows:

### **Proposal One**

- 6.3 For the financial year 2021-2022, members agreed a Council Tax discount for care leavers and a local policy was agreed. Under this policy, care leavers are required to apply for LCTRS and can then apply for an exceptional hardship award to help with any Council Tax payment required. This additional support is funded from the exceptional hardship pot. The proposal is to include this additional support for care leavers up to the age of 25 as part of the LCTRS for 2022-2023.

### **Proposal Two**

- 6.4 The current scheme allows for a 100% disregard of War Widows and War Disablement pensions when calculating entitlement to LCTRS. The proposal is to offer enhanced support to those of working age in receipt of War Widows and War Disablement pensions and who currently must pay a minimum Council Tax contribution of 20%. This proposal would remove the minimum contribution and allows LCTRS to be calculated on 100% of Council Tax liability therefore enabling these claimants to receive up to 100% support.

### **Summary of consultation results**

- 6.5 A full report showing the results from the consultation process is shown at Appendix A. In summary, 306 respondents either partially or fully completed a questionnaire on the draft proposals. Respondents did not have to answer every question. Three responses were received via social media and one oral response via telephone.
- 6.6 284 responses were received to the proposal to remove the minimum contribution of 20% for those working age claimants receiving War Widows and War Disablement Pensions and to allow Council Tax reduction to be calculated on 100% of Council Tax liability. The majority of the respondents, 57.4% said they strongly agreed or tended to agree, while 14.8% said they strongly disagreed or tended to disagree.

- 6.7 Care leavers must currently pay a minimum contribution of 20% of their Council Tax liability. The proposal is to remove the 20% minimum contribution and allow Council Tax reduction to be determined on 100% of Council Tax liability. There were 274 responses to this proposal with 54% of respondents either strongly agreeing or tending to agree and 18.6% either strongly disagreeing or tending to disagree.
- 6.8 We collect specific demographic information from those people who took part in the consultation to build up an understanding of the communities we serve and to inform service delivery. Whilst not all the respondents answered the questions relating to demographics, we can confirm that 269 of the responses were received from individuals and 3 on behalf of organisations. 233 of the responses were received from people in 25-66 age group and 201 responses were from people receiving LCTRS. Many of the consultation responses were completed as a result of a letter from the Council promoting the survey (208).

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

- 7.1.1 The cost of the scheme for 2022-23 is estimated to be £19.7m, including Police and Fire, of which West Northants's share is estimated to be £15.6m. These figures are before any increase in Council Tax for 2022-2023. It should be noted that this position may change due to several factors, including the LCTRS caseload numbers and possible changes in LCTRS entitlement for individuals, as well as the on-going impact of Covid-19. The West Northants budget for 2021-2022 includes provision for a cost of £16.2m as part of the tax base calculation and therefore the reduced caseload could lead to a saving of around £0.6m in 2022-2023.
- 7.1.2 The estimated costs of the proposals supported by the consultation responses is £40,000 but these are offset by the reduced LCTRS caseload and is therefore affordable within existing resources.

### **7.2 Legal**

- 7.2.1 The adoption of a Local Council Tax Reduction Scheme for West Northants is a legal requirement and is set out in Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended by the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021).
- 7.2.2 There is legal requirement to consult on any proposed LCTRS under paragraph 3 of Schedule 1A to the Local Government Finance Act 1991, therefore failure to do so would leave West Northants Council open to challenge on the scheme that is introduced.

### **7.3 Risk**

- 7.3.1 No risks have been identified as a direct result of this report.

### **7.4 Consultation**

7.4.1 As outlined in this report.

**7.5 Consideration by Overview and Scrutiny**

7.5.1 Not yet considered by committee.

**7.6 Climate Impact**

7.6.1 No impacts identified

**7.7 Community Impact**

7.7.1 No specific impacts have been identified. An equality impact assessment has been completed.

**7.8 Communications**

No specific requirements identified at this stage

**8. Background Papers**

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8.1 None.