



City of Westminster Cabinet Member Report

Decision Maker:	Cabinet Member for Finance, Property and Regeneration
Date:	31 March 2019
Classification:	General Release
Title:	Minor amendment to the Council's Council Tax Support Scheme for 2020/21
Wards Affected:	All
Key Decision:	No
Financial Summary:	It is estimated that the proposed minor amendment to the existing scheme will result in additional Council Tax Support of around £13K in 2020/21, part of which will be funded by the Greater London Authority.
Report of:	Director of Revenues and Benefits

1 Summary

- 1.1 This report seeks approval of a minor amendment to the Council's Council Tax Support scheme for 2020/21.

2 Recommendation

- 2.1 That approval is given to remove the "two child limit" from the Council's Council Tax Support scheme with effect from 1 April 2020.

3 Reason for decision

- 3.1 The recommendation aligns with the principles of City for All and the estimated cost is not considered significant

4 Background

- 4.1 The Council Tax Support scheme (CTS) (also called the Council Tax Reduction scheme) replaced the national Council Tax Benefit (CTB) scheme in April 2013. The CTS scheme as outlined in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and the Council Tax

Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 is split into two parts:-

- A prescribed part for pensioners, which means that local authorities cannot amend the level of CTS for pensioners. The prescribed scheme effectively seeks to mirror the provisions of the previous national CTB scheme.
- A discretionary part for working age claimants. This part allows a local authority to produce its own scheme. The majority of local authorities have reduced the level of benefit granted under their working age schemes, whilst the City Council has sought to try to mirror the previous CTB scheme (and Prescribed Regs) in order not to reduce the level of CTS for its qualifying residents.

5. Proposed Amendment to the Council's Council Tax Support Scheme

- 5.1 There is an allowance within national benefit calculations relating to the number of children in a household. A national change implemented in 2017, affects the calculation of Housing Benefit, Universal Credit and the prescribed element of CTS (although this has limited affect as the prescribed element relates solely to pensioners) by limiting the allowance to 2 children. Whilst the restriction on the child allowance is still effective for Housing Benefit, Universal Credit and the prescribed element of CTS, local authorities have the ability to remove the restriction from within their own discretionary Council Tax Support schemes for working age claimants.
- 5.2 In Westminster 110 working age households are currently affected by the two-child limit, although 92 of this figure are still entitled to 100% Council Tax Support because the income used to decide their entitlement is below the level at which the amount of support is reduced. The proposed change to remove the 2-child limit within our CTS scheme would benefit the remaining 18 working age households not currently entitled to 100% Council Tax Support.
- 5.3 The cost of such a change to our scheme is difficult to calculate as central government funding for local authority CTS schemes has been consumed within overall funding and the increase in CTS will depend on the circumstances of each claim. However, the cost of increasing CTS for the 18 households currently affected is unlikely to exceed £13,000 and an element of this figure will in effect be met by the Greater London Authority (GLA) via the workings of the Council Tax Tax base calculation.
- 5.4 As the proposed change aligns with the principles of City for All, and the estimated cost is not considered significant, the change is recommended.

6 Consultation

- 6.1 The proposed change to the Council's scheme is relatively minor and therefore there will be no need for a new consultation exercise.

7 Financial Implications

- 7.1 It is estimated that the proposed minor amendment to the existing scheme will result in additional Council Tax Support of around £13K in 2020/21, part of which will be funded by the GLA.

8 Legal Implications

- 8.1 The legal implications are as outlined within the body of this report.

9 Outstanding Issues

- 9.1 There are no outstanding issues.

10 Ward Member Consultation

- 10.1 There is no requirement for separate Ward Member consultation as the report relates to all wards.

For completion by the **Cabinet Member for Finance, Property and Regeneration**
Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report.

Signed: _____ Date: _____

NAME: **Councillor Melvyn Caplan, Cabinet Member for Finance, Property and Regeneration**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Minor amendment to the Council’s Council Tax Support scheme for 2020/21**

Signed

Councillor Melvyn Caplan, Cabinet Member for Finance, Property and Regeneration

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the Executive Director of Finance and Resources, and, if there are human resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy and Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.