



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Finance, Property and Regeneration
Date:	6 April 2020
Classification:	General Release
Title:	Minor amendment to the Council's Council Tax Support Scheme for 2020/21 due to the Government's Covid-19 response regarding Working Tax Credits.
Wards Affected:	All
Key Decision:	No
Financial Summary:	There will be no change to the cost of the Council's Council Tax Support scheme in terms of the anticipated cost at the point the 2020/21 scheme was agreed prior to the Covid-19 crisis.
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 increase the disregard that is applied to earnings by £20 per week within the Council's Council Tax Support scheme.

3 Reason for decision

- 3.1 The recommendation aligns with the principles of City for All and ensures that the government's recent increase in working tax credit, announced as part of the Covid-19 response, is not clawed back from the borough's claimants via the Council's Council Tax Support calculation.

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 As part of the package of measures to assist during the Covid-19 crisis, the Government will increase entitlement to working tax credit by £20 per week from 6 April 2020. Working tax credit is a benefit available to working households employed for at least 16 hours a week receiving low earnings. The increase to working tax credit is temporary and will only apply from 6 April 2020 to 5 April 2021
- 5.2 To ensure that the £20 increase would not be clawed back by a reduction in housing benefit, on 27 March 2020 Housing Benefit regulations were laid increasing a disregard that is applied to earnings in certain circumstances by £20 a week. To prevent a claw back in Council Tax Support, the Council needs to mirror this change in its local Council Tax Support scheme.
- 5.3 The change adheres to the principle of operating a Council Tax Support scheme that provides the same level of support to low income households that would have existed under the previous national Council Tax Benefit scheme.
- 5.4 The cost of increasing the disregard as proposed will benefit around 1,400 working age (claimants where their entitlement is below maximum Council Tax Support) and would benefit the affected claimants by around £292K for the year. The change will also benefit some working age households who claim Council Tax Support for the first time during 2020/21.

5.5 As the proposed change aligns with the principles of City for All, and there is effectively no increase in costs for the Council in terms of the cost when the Council Tax Support scheme was originally approved, 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 The cost of the Council's Council Tax Support scheme would have effectively reduced by around £292,000 due to the government's recent announcement as part of the Covid-19 response to increase Working Tax Credit by £20. The proposed change seeks to disregard this increase for the Council's working claimants within the Council's Council Tax Support scheme. Therefore the proposed change is affectively cost neutral in terms of the anticipated cost of the scheme prior to the Covid-19 crisis.

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 due to the government’s Covid-19 response regarding Working Tax Credits.**

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.