

**FORM 2**

**NOTICE OF DECISION OF CABINET MEMBER**

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me, I have made the following decision:

<b>Subject</b>	<b>Decision</b>	<b>Reason for decision</b>	<b>Date for Decision to be taken</b>
Review of Council Tax Reduction Scheme 2021-22	To agree that no changes should be proposed to the Council Tax Reduction Scheme for 2021-22	There is no strong case to revise or replace the scheme at this stage. The present scheme was successfully introduced in April 2019 and any impact on collection rates and/or administration so far, is either modest or absorbable. Collection rates will continue to be monitored taking into account the impact of COVID-19 and used to inform the scheme review for 2022-23.	16 <sup>th</sup> November 2020

**I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.**

Dated: 17<sup>th</sup> November 2020

Signed:  .....

Councillor Graham Ballinger  
Leader of the Council

To: Councillor Graham Ballinger, Leader and Cabinet Member for Strategy and Finance

From: Lucy Wright, Revenues, Benefits and Customer Services Manager

Ext. 2948

Lucy.wright@wyreforestdc.gov.uk

Date: 16<sup>th</sup> November 2020

## **REVIEW OF COUNCIL TAX REDUCTION SCHEME 2021/2022**

### **1.0 PURPOSE OF REPORT**

- 1.1 To discharge the requirement to consider, for each financial year, whether to revise the scheme or to replace it with another scheme.

### **2.0 RECOMMENDATION**

- 2.1 That the Cabinet Member **AGREES** that no changes should be proposed to the council tax reduction scheme for 2021-22.

### **3.0 BACKGROUND**

- 3.1 The council tax reduction scheme provides reductions in council tax for those on low incomes. The reductions are up to 100% for those of pensionable age and up to 80% for those of working age. Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 (inserted by Schedule 4 to the Local Government Finance Act 2012) places a duty on the Council to consider every year whether to revise a scheme or replace a scheme. This report discharges the requirement in respect of 2021-22. Any change to the scheme would have to be approved by full Council and this would have to happen no later than its meeting in February 2021, to meet the statutory deadline of 11<sup>th</sup> March.
- 3.2 The legislation does not allow the Council any discretion in respect of the reductions to be given to those of pensionable age.
- 3.3 The Council introduced an income banded reduction scheme on 1<sup>st</sup> April 2019 for working age claimants who are on a low income. The amount of council tax reduction a household can receive is based on the income bands as shown in the table overleaf:

		Singles	Couples	Family 1 child	Family 2 (or more) children
Discount level		(weekly net income level)			
Band 1	80%	£0 - £89.99	£0 - £124.99	£0 - £199.99	£0 - £269.99
Band 2	60%	£90 - £119.99	£125 - £154.99	£200 - £249.99	£270 - £304.99
Band 3	40%	£120 - £149.99	£155 - £184.99	£250 - £274.99	£305 - £334.99
Band 4	20%	£150 - £179.99	£185 - £214.99	£275 - £299.99	£335 - £364.99

3.4 The impact has been closely monitored and the percentage expenditure of Council Tax Reduction Scheme against the total property charge as at 1<sup>st</sup> October 2020 is 9.4%. At the same time last year before the new scheme was implemented the percentage was slightly less at 9.3%. This shows the revised scheme has not resulted in major additional costs to the Council for any of the major preceptors.

3.5 Collection rates for claimants in receipt of Council Tax Reduction Scheme are lower than the overall collection rates and this has been the case since the abolition of Council Tax Benefit in 2013.

#### **4.0 KEY ISSUES**

4.1 It is suggested that there is no strong case for revising the council tax reduction scheme for this Council for 2021-22. While there has been an increase in the number of actions that council staff have to take to pursue payment, generally the picture on collection is positive.

4.2 The current COVID-19 pandemic has had an adverse impact on collection rates across the tax base. As a result of central governments hardship funding, all working age Council Tax Reduction Scheme claimants have received up to £150 towards their council tax bill in 2020-21. This funding was issued to local authorities for one year only.

4.3 Changing the scheme could have financial and other implications for the Council. Altering either the income bands or percentage discounts in order to increase the amount low income households are required to pay, would have financial benefits for Wyre Forest District Council and in particular for the county council. The lower the discount granted, the greater the likelihood that recipients would have difficulty in meeting their council tax liability and therefore costs of recovery could grow and the projected additional income might not materialise. Conversely, if the discount or income bands were altered to make the scheme more generous there would be a cost to the Council in terms of reduced revenue to fund the services that communities in Wyre Forest value – given the current circumstances, including the uncertainty for the immediate future regarding the economic impact of the pandemic this option would not be appropriate to consider at present.

4.4 A decision at this stage to leave the discount scheme unchanged for 2021-22 also avoids the need to undertake consultation on proposals and preparation of an equality impact assessment of changes.

## **5.0 FINANCIAL IMPLICATIONS**

5.1 The recommendation has no additional financial implications for the Council.

## **6.0 LEGAL AND POLICY IMPLICATIONS**

6.1 The relevant legal provisions have been mentioned above. This is a Cabinet function. If the review led to a proposal to alter or replace the current scheme, there is a legal requirement to consult and the making or revising of a scheme would fall to full Council to discharge.

## **7.0 EQUALITY IMPACT NEEDS ASSESSMENT**

7.1 The introduction of the current scheme was the subject of an equality impact needs assessment. No further assessment is required if the scheme is left unchanged for 2021-22.

## **8.0 RISK MANAGEMENT**

8.1 The main risks relate to compliance with the legislation. This report discharges the duty to consider whether to revise the scheme or replace it.

## **9.0 CONSULTEES**

9.1 Cabinet and Corporate Leadership Team.

## **10.0 CONCLUSION**

10.1 This report recommends that no changes should be proposed to the council tax reduction scheme for 2021-22.

## **11.0 BACKGROUND PAPERS**

11.1 Cabinet Report 17<sup>th</sup> July 2018 including Equality Impact Assessment – Appendix 1  
[http://www.wyreforest.gov.uk/council/docs/doc53369\\_20180717\\_cabinet\\_agenda.pdf](http://www.wyreforest.gov.uk/council/docs/doc53369_20180717_cabinet_agenda.pdf)