

<b>Committee:</b> Policy, Resources & Economic Development Committee	<b>Date:</b> 16 December 2020
<b>Subject:</b> Council Tax Reduction Scheme – 2021/2022	<b>Wards Affected:</b> ALL
<b>Report of:</b> Jacqueline Van Mellaerts, Director of Finance & Resources	<b>Public</b>
<b>Report Author:</b> Rob Manser Name: Rob Manser, Shared Services Revenues & Benefits Manager Telephone: 01277 312 500 E-mail: rob.manser@brentwood.gov.uk	<b>For Decision</b>

### Summary

This report recommends two changes to the current Local Council Tax Reduction Scheme (LCTR) for 2021/22.

This would introduce additional support for apprentices and introduce a general 'variation' to the Council Tax Reduction scheme to allow the Council to increase / change the levels of bands / discounts within the scheme where there is an emergency situation, such as COVID for example.

The revised scheme to include these two additional elements will be subject to approval by Ordinary Council on 13 January 2021 in line with the requirement for approval of a scheme by 31 March 2021.

Public consultation on a revised scheme was undertaken from 5 October 2020 to 15 November 2020.

### Recommendation(s)

**Members are asked to:**

**R1 That the revised Council Tax Reduction Scheme for 2021/22, as set out in Appendix A of this report, be recommended to Ordinary Council for approval.**

## Main Report

### **Introduction and Background**

On 1 April 2020 Brentwood Borough Council introduced a local Council Tax Reduction scheme to support working aged residents. This scheme provides financial support to residents that are on a low income or are unemployed, to assist them in paying their Council Tax. Each year, the Council has reviewed its local scheme for the year ahead.

Some form of Council Tax Support (CTS) scheme has been in place in Brentwood since 2013/14. The general principles are agreed on an Essex-wide basis as any decision made by billing authorities has an impact on our major precepting bodies. In the case of Essex County Council (ECC), this impact could be significant.

The scheme impacts all working age customers in line with Government policy. Due to the different demographics of individual billing authorities, support scheme designs differ across Essex with a number of local variations.

### Brentwood's Current Council Tax Reduction scheme

Pension age customers remain protected from any financial changes.

Support for working aged residents is based on the following basic principles:

- Entitlement is based on a banded table which compares household income and the members of a household
- Depending on the level of their net income, the household band they fall into and if there is a disabled household member, working-age customers will receive a percentage reduction of either 100%, 75%, 50%, or 25%
- Singles or Couples with more than 2 children will be restricted to a Council Tax Reduction as if having 2 children
- Residents with over £6000 in savings are unable to claim
- Where the resident owns their property, if the property is in a Council Tax band F,G or H they are not eligible to claim

This below table demonstrates the simplified banded scheme.

Households with a disabled member will receive up to 100% council tax reduction. All other households of working age will receive up to 75% council tax reduction							
Household	Weekly Income						
	Disabled	£0.00- £75.00	£75.01- £150.00	£150.01- £225.00	£225.01- £300.00	£300.01- £375.00	£375.01- £450.00
	%	%	%	%	%	%	%
Single with no children	100	75	75	50	25	0	0
Couple with no children	100	75	75	50	25	0	0
Single with one child	100	75	75	50	50	25	25
Couple with one child	100	75	75	50	50	25	25
Single with two or more children	100	75	75	75	50	50	25
Couple with two or more children	100	75	75	75	50	50	25

As of 23 November 2020, 1,854 residents are receiving a Council Tax Reduction with a total expenditure for 2020/2021 of £1,925,388.

### **The proposed changes**

In addition to the existing scheme the proposal is to include the following additional elements to support residents:

1. Where an apprentice earns more than £195.01 but less than £300 per week and they are the only other adult in a property, they can be disregarded for Council Tax purposes for the term of their apprenticeship – this is to support single parents and school leavers into employment.

180 households with an apprentice would be better off, estimated overall cost £83k, £9k cost to Brentwood

2. To introduce a general 'variation' to the Council Tax Reduction scheme to allow the Council to increase / change the levels of bands / discounts within the scheme where there is an emergency situation, such as COVID for example. This would allow the Council to provide more support to households who have been affected due to imposed restrictions and being unable to work.

## **Consultation**

Before final approval of the scheme, Councils are required to consult with:

- Major Precepting Authorities (County Council, Police and Fire Authorities)
- The public
- Relevant stakeholder groups

The consultation period of 6 weeks covered 5 October 2020 to 15 November 2020, we published our proposals for a draft scheme on our website with a link to a consultation hosted by ECC (who have the necessary consultation software). People who did not have access to the internet or who wished to give a more detailed response were sent paper consultations if requested.

The consultation was advertised through social media and through direct customer contact.

26 customers responded to this consultation and answered at least some of the questions, this compares with 49 customers in 2019/20.

The consultation asked 2 specific questions:

Q 1. Where an apprentice earns less than £195.00 per week and they are the only other adult in a property the household can receive a 25% reduction from their Council Tax bill. The proposal is that where the apprentice earns more than £195.00 but less than £300 per week and they are the only other adult in a property, they can also receive the 25% reduction from their Council Tax bill for the term of their apprenticeship. This is to support single parents and school leavers into employment.

How do you feel about this approach?

Strongly Agree / Agree / Neither agree or disagree / Disagree / Strongly Disagree

### **92% either Strongly Agreed or Agreed with this proposal**

Q 2. Brentwood Council would like to introduce a general 'variation' to the Council Tax Reduction scheme to allow the Council to increase / change the levels of bands / discounts within the scheme where there is an emergency situation, such as COVID for example. This would allow the Council to provide more support to households who have been affected due to imposed restrictions and being unable to work.

How do you feel about this approach?

Strongly Agree / Agree / Neither agree or disagree / Disagree / Strongly Disagree

### **92% either Strongly Agreed or Agreed with this proposal**

## **OPTIONS**

Approve the recommendation in full – Adopt the proposed new Council Tax Reduction scheme for 2021/2022 as set out in **Appendix A** – this is the preferred option.

Do not approve the recommendation – The Local Council Tax Support Reductions scheme that is currently in place, with the maximum LCTR available of 100%, our current scheme, would remain our default scheme for 2021/2022.

## **References to Corporate Plan**

This report reflects all areas of the Corporate Plan.

## **Implications**

### **Financial Implications**

**Name & Title: Jacqueline Van Mellaerts, Corporate Director (Finances & Resources) & Section 151 Officer**

**Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk**

The Council has to fund the scheme from within the totality of its resources. The scheme must, therefore, balance the needs of those in receipt whilst ensuring the scheme is sustainable for the Council and precepting authorities.

The overall cost to Brentwood and the other precepting authorities of the proposed additional CTR scheme element is estimated at £83k, this is at a cost to Brentwood of £9k.

The pressure will be accounted for within the collection fund and charged to the Council through the yearly surplus/deficit process.

### **Legal Implications**

**Name & Title: Amanda Julian, Corporate Director (Law and Governance) & Monitoring Officer.**

**Tel & Email: 01277 312500/Amanda.julian@brentwood.gov.uk**

The Council has a legal obligation under s13A(2) of the Local Government Finance Act (LGFA) 1992 (as amended) is to have a reduction scheme the LGFA Schedule 1A provides for the interpretation of what a scheme, what matters should be included, how to prepare the scheme and provide for the Secretary of State to prescribe the scheme in regulations. Section 31A of the LGFA sets out the statutory requirements of billing authorities to determine the annual Council Tax base.

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 prescribes the principles on which local schemes are to operate.

### **Economic Implications**

**Name & Title: Phil Drane, Corporate Director (Planning & Economy)**

**Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk**

It is important that the Council can set a framework for a balanced budget, which in turn can create local economic benefits. Specific proposals to exempt apprentices from Council Tax, subject to the earnings criteria set out within this report, will encourage single parents and school leavers into employment, for example. This proposal will help boost skills and jobs growth, contributing towards economic growth in the borough. The ability for variation in situations of emergency provides flexibility, which when considering the economic experience of 2020 is an important provision to ensure appropriate responses can be made to benefit local communities, including businesses.

### **Other Implications**

None

### **Background Papers**

None

### **Appendices to this report**

Appendix A – Brentwood Council Tax Reduction Scheme 2021/2022.