

## TRAFFORD COUNCIL

**Report to:** Council  
**Date:** 9 October 2019  
**Report for:** Decision  
**Report of:** Executive Member for Finance and Investment

### Report Title

**Council Tax Support (CTS) Scheme for 2020/21**

### Summary

There is a legal requirement to formally approve the Council's local CTS scheme before the start of each financial year. It is proposed that the scheme remains largely as is but with minor amendments proposed to reflect the national changes to income related benefits and clarity relating to how the Council can recover backdated changes in entitlement (reversals) following the publication from the Local Government Ombudsman (LGO) of a good practice guide to CTS schemes

### Recommendation(s)

That Council approves the Executive's recommendation to adopt the CTS scheme currently in operation with the inclusion of the amendments detailed below for 2020/2021:

- 1) Applicable amounts, Non Dependent Deductions and other calculation elements for CTS are updated in line with the national income related benefit rates.
- 2) The Council provides clarity within its CTS scheme relating to the recovery of backdated changes in entitlement (reversals).

Contact person for access to background papers and further information:

Name: Louise Shaw  
Extension: 3120  
Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Health and Wellbeing and Targeted Support
Financial	The existing Council Tax Support scheme is already funded by the Council and the changes proposed are not expected increase the budgeted funding.
Legal Implications:	The Council has to formally set its local CTS scheme before the start of the following financial year in order for the scheme to be formally adopted for 2019/20. This is in accordance with the Local Government Act 2012.
Equality/Diversity Implications	The minor amendments proposed are not considered to have any significant effect on any groups.
Sustainability Implications	None
Resource Implications e.g. Staffing / ICT / Assets	None
Risk Management Implications	None
Health & Wellbeing Implications	None
Health and Safety Implications	None

## 1.0 Background

- 1.1 In April 2013, following the abolition of Council Tax Benefit (CTB) which was a national scheme funded by a central government grant, the Council implemented its local Council Tax Support (CTS) Scheme for working age claimants. This scheme has been updated annually since this date as required by the legislation.
- 1.2 There are 12.8k Trafford residents in receipt of CTS and spend is £11.3m per annum. 44% of CTS claimants are pensioners and therefore receive Council Tax Support under previous (CTB) legislation and are not affected by the local scheme.
- 1.3 Each year, the Council has to formally approve its CTS scheme for the following financial year before the 31 March.

## 2.0 Introduction

- 2.1 For each financial year, each billing authority must consider whether to revise its local CTS scheme or to replace it with another scheme. It is proposed that the existing scheme remains largely as is with minor amendments recommended below.
- 2.2 The revisions to the scheme will take effect from 1 April 2020.

## 3.0 Recommended Minor Changes to the Scheme for 2020/21

**3.1 Recommendation 1**

- 3.1.1 Applicable amounts, Non Dependent Deductions and other calculation elements for CTS are updated in line with the national income related benefit rates
- 3.1.2 The updating of applicable amounts will be matched with a corresponding uprating in benefit income and will have a negligible impact on a claimants CTS award where their circumstances remain the same.
- 3.1.3 The cost of implementing this change is therefore negligible and can be absorbed within the budgeted forecasted CTS expenditure.

**3.2 Recommendation 2**

- 3.2.1 Following the publication of the LGO’s Council Tax Reduction – Guidance for Practitioners, the Council clarifies the wording of its own CTS scheme relating to the recovery of backdated changes (reversals) in entitlement to provide clarity to Trafford residents, information and advice services and the Valuation Tribunal. The proposed wording and link to the guidance can be found in Appendix A.

**Other Options**

The Council could decide not to change the scheme for 20/21. However, this would mean the continuation of elements within the local scheme that would be out of line with other welfare benefits and that the recovery of backdated entitlement changes (reversals) would remain silent and therefore not always clear to residents, those advising them, and the independent tribunal.

**Reasons for Recommendations**

The recommendations are set out at the start of this report.

**Key Decision:** No  
**If Key Decision, has 28-day notice been given?** No

**Finance Officer Clearance** NB  
**Legal Officer Clearance** DS

**[CORPORATE] DIRECTOR’S SIGNATURE**

(electronic).....

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

## Appendix A – Proposed Wording Changes in the CTS Scheme

### Present

#### **Shortfall in reduction**

**118.** Where, on the revision of a decision allowing a reduction under this scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either—

(a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the financial year until that shortfall is made good; or

(b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonable practicable, as soon as possible afterwards

### Proposed

#### **Amendments to reduction, including recovery/reversal of previously awarded reduction, Council error and shortfall in reduction**

**118. (a)** *Where, on the revision of a decision allowing a reduction under this scheme to a person, it is determined that the amount previously allowed was more than the amount to which that person was entitled, the authority shall amend the award of the reduction from the date of the change and recover/reverse the amount incorrectly paid from the Council Tax account, increasing the amount of Council Tax to pay equivalent to the amount of the reduction incorrectly paid.*

*(b) Where a reduction has been incorrectly calculated due to Council Error the Authority must consider if it would be reasonable for the person to whom the reduction was paid to know that the reduction was incorrect. If the Authority decides that it would not be reasonable for the person to whom the reduction was paid to have known that the reduction was incorrect then the Authority shall not recover/reverse any amount incorrectly paid for any period prior to the date of the revision but future reductions will be recovered/reversed.*

*(c) As the previous decision on the amount of the reduction awarded will have included future entitlement to the end of the relevant financial year, any future reduction will be recovered/reversed, even where a Council Error has occurred. The start of the 'future date' will be the first date the Council were notified of the error or identified the error, whichever is the earliest date.*

(d) Where, on the revision of a decision allowing a reduction under this scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either—

(i) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the financial year until that shortfall is made good; or

(ii) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonable practicable, as soon as possible afterwards

<https://www.lgo.org.uk/information-centre/news/2019/aug/new-guidance-launched-for-council-tax-practitioners>