1 LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21

A supplementary report giving a link from which Members may view the Scheme recommended by the Finance, Innovation and Property Advisory Board and recommending that the banded discount table at Annex is substituted into the Scheme.

1.1 Background

1.1.1 Further to Minute FIP 19/40, the report to the meeting of the Finance, Innovation and Property Advisory Board on 8 January 2020 gave details of the outcome of the consultation on the Council’s Local Council Tax Reduction Scheme (LCTRS) and set out recommendations and reasoning for changes to the Scheme from 1 April 2020.

1.1.2 Item FIP 20/7 on this agenda sets out the full recommendations from the Advisory Board.

1.1.3 Following the Advisory Board and the recommendations made, a proposed Scheme has been prepared and can be viewed at https://www.tmbc.gov.uk/services/advice-and-benefits/council-tax/council-tax-reduction-scheme.

1.1.4 A key element of the proposed Scheme in meeting the LCTRS review objectives of fairness, simplification and to remain cost neutral, is the banded discount table at Schedule 1 (page 103) of the document.

1.1.5 Since the development and testing of the table, Government announced welcome increases to Minimum Wage, state benefits and Tax Credits from 1 April 2020. The table at Schedule 1 was formed without the knowledge of the details of the upcoming changes. Testing the table rules against April 2020 benefit rates, in several cases, the increased benefit levels are sufficient to tip claimants into a lower discount band, causing reduced help for households (particularly those with a child or children) from our Scheme and reducing the overall cost of the Scheme, contrary to our review objectives. Therefore, amendments are necessary to the income bands within the table to avoid losses for households and redress the original balance.
1.1.6 The Banded Discount Scheme Table at Annex 1 should be substituted for the table currently in Schedule 1 of the proposed LCTRS to reflect the recent uplifts in state benefits.

1.1.7 The Scheme is accordingly recommended to Full Council with the proposed amendment.

1.2 Legal Implications

1.2.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

1.3 Financial and Value for Money Considerations

1.3.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

1.4 Risk Assessment

1.4.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

1.5 Policy Considerations

1.5.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

1.6 Equality Impact Assessment

1.6.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

1.7 Recommendation

1.7.1 Cabinet is requested to RECOMMEND the Scheme with the substituted table at Annex 1 to Full Council.

Background papers: Nil

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