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Our ref: CTS
Your ref:
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Dear Darren

LONDON BOROUGH OF BARNET: COUNCIL TAX SUPPORT SCHEME 2020-21

Thank you for your email of 20 December informing the GLA about the Council's consultation on proposed changes to the council tax support (CTS) scheme for 2020-21. The draft scheme options consulted on are summarised in this letter. This letter sets out the GLA's response to the consultation.

Introduction

As in previous years, the GLA recognises that the determination of council tax support schemes under the provisions of the Local Government Finance Act 2012 is a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and, more generally, the financial impact on the council and local council tax payers – and therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding of both the factors which have been taken into account by boroughs in framing their proposals, as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform the final scheme design.

Framing Proposals

As part of the introduction of council tax support in 2013-14, the Government set out its expectation that, in developing their scheme proposals, billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants;
- They consider extending support or protection to other vulnerable groups; and

- Local schemes should support work incentives and, in particular, avoid disincentives to move into work.

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their schemes.

Proposed Options for 2020-21 Scheme

The Council is proposing to make three minor changes to its existing CTS scheme for 2020-21 onwards, to reflect recent welfare changes as well as amendments to take account of overpayments and the start date for CTS entitlement. The proposed changes to the scheme are as follows:

- Disregarding any income or lump sum payments from the Government's Windrush Compensation Scheme.
- Introducing the option for residents to apply for a Discretionary Council Tax Hardship payment to offset over-payments of CTS, where it is assumed the resident could not have been reasonably expected to know they were being overpaid. Applications will be considered based on hardship and remain discretionary.
- Awarding CTS from the start date of council tax liability, if an application is made within the same week of the liability start date. This is in line with Housing Benefit regulations.

GLA Response to Proposals

The GLA recognises the need for councils' schemes to take account of changes to Housing Benefit Regulations, such as the exclusion of income and capital payments in relation to the Windrush Compensation Scheme. The GLA also notes the proposed change to the scheme to enable the Council to apply capital disregards in respect of future schemes, when capital payments are disregarded under Housing Benefit regulations. Similarly, the change to award CTS from the start date of council tax liability, if an application is made within the same week of the liability start date, aligns the scheme with Housing Benefit regulations.

The GLA supports the proposed change to enable claimants who have received a CTS payment in excess of their entitlement to offset their requirement to make a repayment to the council via

a Discretionary Council Tax Hardship payment. It is important that the Council make claimants aware of their ability to apply for support in this way if they have inadvertently received an overpayment.

I would like to thank you again for consulting the GLA on your proposed council tax support scheme changes for 2020-21.

Yours sincerely

Martin Mitchell
Finance Manager