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North Devon Council
Brynsworthy Environment Centre
Barnstaple
North Devon EX31 3NP

K. Miles
Chief Executive.

POLICY DEVELOPMENT COMMITTEE

A meeting of the Policy Development Committee will be held in the Molton Room - Brynsworthy on **MONDAY, 9TH DECEMBER, 2019 at 10.00 am.**

(NOTE: A location plan for the Brynsworthy Environment Centre is attached to the agenda front pages. There are limited car parking spaces in the Visitors parking area. If no spaces are available, please find an alternative space. Please ensure that you enter your name and car registration details in the book in front of the entrance door)

Members of the Policy Development Councillor D. Spear (Chair)
Committee

Councillors Campbell, Crabb, Hunt, Jenkins, Luggar, Mack, Roome, Walker and York

AGENDA

6. Council Tax Reduction Scheme 2020/21. Report by the Head of Resources to the Strategy and Resources Committee held on 2nd December 2019 (attached). (Pages 5 - 8)
 - (a) Minute Extract of the Strategy and Resources Committee held on 2nd December 2019 (attached).

If you have any enquiries about this agenda, please contact Corporate and Community Services, telephone 01271 388253

29.11.19



North Devon Council protocol on recording/filming at Council meetings

The Council is committed to openness and transparency in its decision-making. Recording is permitted at Council meetings that are open to the public. The Council understands that some members of the public attending its meetings may not wish to be recorded. The Chairman of the meeting will make sure any request not to be recorded is respected.

The rules that the Council will apply are:

1. The recording must be overt (clearly visible to anyone at the meeting) and must not disrupt proceedings. The Council will put signs up at any meeting where we know recording is taking place.
2. The Chairman of the meeting has absolute discretion to stop or suspend recording if, in their opinion, continuing to do so would prejudice proceedings at the meeting or if the person recording is in breach of these rules.
3. We will ask for recording to stop if the meeting goes into 'part B' where the public is excluded for confidentiality reasons. In such a case, the person filming should leave the room ensuring all recording equipment is switched off.
4. Any member of the public has the right not to be recorded. We ensure that agendas for, and signage at, Council meetings make it clear that recording can take place – anyone not wishing to be recorded must advise the Chairman at the earliest opportunity.
5. The recording should not be edited in a way that could lead to misinterpretation or misrepresentation of the proceedings or in a way that ridicules or shows a lack of respect for those in the recording. The Council would expect any recording in breach of these rules to be removed from public view.

Notes for guidance:

Please contact either our Corporate and Community Services team or our Communications team in advance of the meeting you wish to record at so we can make all the necessary arrangements for you on the day.

For more information contact the Corporate and Community Services team on **01271 388253** or email **memberservices@northdevon.gov.uk** or the Communications Team on **01271 388278**, email **communications@northdevon.gov.uk**.

North Devon Council offices at Brynsworthy, the full address is:
Brynsworthy Environment Centre (BEC), Roundswell,
Barnstaple, Devon, EX31 3NP.

Sat Nav postcode is EX31 3NS.

At the Roundswell roundabout take the exit onto the B3232, after about ½ mile take the first right, BEC is about ½ a mile on the right.

Drive into the site, visitors parking is in front of the main building on the left hand side.

On arrival at the main entrance, please dial 8253 for Corporate and Community Services.



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NORTH DEVON COUNCIL

POLICY DEVELOPMENT COMMITTEE: 9TH DECEMBER 2019

MINUTE EXTRACT OF THE STRATEGY AND RESOURCES COMMITTEE HELD ON 2ND DECEMBER 2019 IN RESPECT OF ITEM 6 ON THE POLICY DEVELOPMENT COMMITTEE AGENDA

72 COUNCIL TAX REDUCTION NEW INCOME-BANDED SCHEME

The Committee considered a report by the Head of Resources (circulated previously) regarding the Council Tax Reduction New Income-Banded Scheme.

The Accountancy Services Manager highlighted the following:

- The 'old' Council Tax Benefit scheme was replaced in 2013 by a new localised Council Tax Reduction Scheme.
- Each year the scheme was reviewed and the Devon Steering Group (of Benefits Officers) work together on reviewing the schemes; over recent years there have been some minor changes to bring the scheme in line with changes made by Central Government in Housing Benefit and Universal Credit.
- The 'current' scheme had been reviewed and Devon Authorities have aimed to move to a "new discount based income-banded scheme" that was fairer, simpler and reduce administration costs.
- This reduced administration burden would enable the team to focus resource onto overall Council tax debt recovery and improve the overall collection rates.
- Previously Council Tax Reduction (CTR) was assessed and awarded in line with Housing Benefit (HB). The advantages of this alignment had been lost since the roll out of Universal Credit (UC) in July 2018.
- UC was highly reactive to change and the Council can typically receive monthly notifications from the Department of Works and Pensions of a change in income (often very small sums) as the CTR scheme was fully means tested. Even a trivial change such as this would result in reassessment, requiring an amended Council Tax bill to be produced and rescheduling instalment plans, restarting the debt recovery process all over again.
- Households were often issued with many bills, frequent change of instalments/direct debits and was extremely confusing for them and difficult for them to budget or understand exactly what was due to pay. These continual set-backs for customers, who were already on low income then were often required to owe a lump sum at the end of the year due to these constant changes.
- For these reasons and to minimise the number of changes to CTR assessment Councils across the Country are starting to move towards a discount based income-banded scheme, which was simpler and cheaper to administer.

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- South Hams and West Devon introduced an income-banded scheme for the current year April 2019 and the Devon Benefits Officer Group was recommending that the other Local Authorities follow suit for 2020/21.
- Introducing the income banded scheme based on current caseload would result in over 80% of claimants ending up better off.
- Consultation on the proposals was undertaken from September until October 2019 via press releases, on the Council's website, social media, direct mailshots within council tax bills and benefit notifications and advertising within our Council offices.
- Responses to these consultations were detailed within Appendices D and Appendix E. The response level to the consultation was relatively low however the majority of those responses were in favour of the proposed changes.
- Before CTR the old Council Tax Benefit Scheme cost the public purse around £7.5million.
- The first year of the CTR scheme was estimated to reduce this cost to £6.5million; however the actual scheme costs have come down from £6.3million to £5.6million currently.
- The impact to North Devon Council was the same as the % split of the overall Council Tax that includes all the major preceptors (about 10% of the costs relate to North Devon Council, with 72% Devon County Council, 10% Police, 5% Fire and 3% Town and Parishes).
- The proposed income banded scheme increased the scheme costs by an estimated £180,000, however the overall scheme costs since 2013/14 have reduced significantly (£6.3million down to £5.6million currently).
- Collection rates of overall Council tax have suffered in recent years. In 2013/14 the Council budgeted for a 98.5% collection rate; this rate had now reduced to 97.5%. An improvement of just 0.5% in this collection rate would achieve an additional £340,000 council tax income; mitigating the above additional scheme cost.
- The aim of the changes proposed were to reduce the administration burden and with the scheme benefits introduced it was anticipated that the ability of payment should improve and therefore collection rates increase. Together with reduction in providing for bad debts and longer term write offs, these measures would aim to offset the above additional scheme cost and therefore not impact the overall collection fund position materially and hopefully improve this position further.

In response to questions, the Assistant Benefits Manager advised the following:

- That South Hams and West Devon had not experienced any problems following the introduction of the income banded scheme for the current year.
- The current maximum level of reduction customers can receive was 75% and the new scheme would increase this level to 80%. The Council Tax bills increased annually, however the benefits customers received were frozen every year, therefore the majority of customers would be better off as they would only need to pay 20%.
- Measures had been put in place to ensure that the most vulnerable customers were protected.

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- The Exceptional Hardship Policy was available to customers who were worse off and suffering from exceptional hardship. The Fund was approximately £40,000, which was never spent in full. It was considered that the Fund was sufficient should it need to be utilised when introducing the new scheme. Upon receipt of applications, officers calculated the applicants income and expenditure to assess whether they were eligible to apply for funds from the Exceptional Hardship fund.
- Some of the comments made by customers as part of the consultation were from individuals who were not in agreement with a CTR.
- Officers signposted customers to the Citizens Advice Bureau (CAB) where appropriate. The Council no longer provided the budgeting service for customers and this role was now undertaken by the CAB. However, if customers required assistance with completing the application form to the fund, support was provided either by assessors or by a visiting officer.

RECOMMENDED:

- (a) That a new 5 banded Council Tax Reduction Scheme as set out in Appendix A of the report be adopted from 1 April 2020;
- (b) That the Equality Impact Assessment in relation to the scheme, as set out in Appendix B of the report be noted; AND
- (c) That the Exceptional Hardship Policy in relation to the Council Tax Reduction Scheme, as set out in Appendix C be approved.

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