

**POLICY AND RESOURCES CABINET BOARD**  
**8<sup>th</sup> OCTOBER 2009**

**DIRECTORATE OF FINANCE & CORPORATE SERVICES**

**URGENT REPORT OF THE HEAD OF REVENUES & CUSTOMER  
SERVICES – M. JONES**

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**Part 1 - Doc.Code: PRB-081009-REP-FS-MJ-U**

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## **ITEM 1**

### **COUNCIL TAX - HELP FOR PENSIONERS**

#### **Purpose of Report**

1. To inform Members of the Welsh Assembly Government's Council Tax Help for Pensioners Scheme and to recommend how that scheme might be implemented in Neath Port Talbot.

#### **Background**

2. The Assembly has made a total of £2 million available across Wales to support authorities in respect of expenditure incurred during 2009/10 "for the purpose of providing assistance to people with payment of their council tax, but only to pensioners who the authority consider it appropriate to assist."
3. The £2m has been distributed on the Older Adults formula used in the calculation of SSA for 2009/10 and the allocation to Neath Port Talbot is £105,689, with a further £5,000 in respect of administrative costs.
4. If all or part of the allocation is not spent by 31<sup>st</sup> March 2010, it has to be repaid to the Assembly.
5. Authorities are required to notify the Assembly of their acceptance of the allocation, together with the details of their proposals to spend the money, by 31<sup>st</sup> October 2009. This is a revised deadline as the Assembly has recognised that the original deadline of 30<sup>th</sup> September 2009 was unrealistic.

#### **Discussions Between Welsh Authorities**

6. The amount of money allocated by the Assembly is relatively small in relation to the number of pensioners and pensioner households. The allocation to Neath Port Talbot is the equivalent of around £5 per pensioner household, or around £7 per pensioner household where there is a liability to pay council tax (around 5,800 pensioner households receive full council tax benefit).
7. It is necessary, therefore, to determine a target group of pensioners in order to ensure that any payment made is of a reasonable amount.
8. Discussions have taken place between Welsh authorities with a view to trying to identify a common approach, and the outcome of these discussions is that 3 different approaches have been put forward:
  - Payment of a fixed amount to pensioners aged 65 or over who are liable persons for council tax and who are on partial council tax benefit at a given date, subject to limiting the payment to the

council tax liability.

- Payment to pensioners over 60 and in receipt of state pension who are liable persons for council tax and not in receipt of council tax benefit.
  - Using the allocation to fund organisations such as Age Concern, CAB etc., to carry out a campaign to promote the take up of council tax benefit.
9. It would appear that the majority of authorities favour the first approach, although the amount of the payment will vary from authority to authority, depending on their allocation from the Assembly and the number of pensioners who qualify for the payment.
10. This option has a number of advantages:
- We can use existing data so there is no need to get people to apply.
  - It does target a group of pensioners who have financial need (as measured by their eligibility for council tax benefit).
  - It does target a group of pensioners who are known to have a liability for council tax and are, therefore, eligible to receive the payment. Furthermore, the payment will not result in a corresponding reduction in their council tax benefit.
11. The option does have the disadvantage that pensioners who have not claimed council tax benefit but are on low income will not receive the payment. However, by publicising the scheme, hopefully we can at least partially address this issue.
12. The bottom line is that no scheme is going to be perfect, and this option does seem to be overall the best way forward.

### **Proposed Scheme**

13. It is proposed the criteria for receiving the payment are:
- Eligible persons must be liable to pay council tax in respect of a chargeable dwelling which is their sole or main residence on 30<sup>th</sup> November 2009.
  - Eligible persons must be aged 65 or over on 30<sup>th</sup> November 2009.
  - Eligible persons must be in receipt of partial council tax benefit on 30<sup>th</sup> November 2009 in respect of the chargeable dwelling which is their sole or main residence and on which they are liable to pay council tax.
14. On current numbers of pensioners receiving partial council tax benefit, a payment of £50 (subject to the qualification in paragraph 16 below) would result in expenditure of £99,689 (£6,000 less than the authority allocation).

15. As it is possible that publicity for the scheme will result in additional pensioners becoming eligible, it is recommended that we set the payment to £50.
16. In either case, if a pensioner's liability to council tax, after council tax benefit, is less than the amount of the payment, the payment will be capped at the level of the liability for council tax, with a minimum payment amount of £5.
17. The outcome of adopting this scheme would be:
  - around 1,850 pensioners would receive a payment of £50;
  - around 50 pensioners would receive a payment of between £40 & £50;
  - around 70 pensioners would receive a payment of between £30 & £40
  - around 65 pensioners would receive a payment of between £20 & £30;
  - around 70 pensioners would receive a payment of between £10 & £20;
  - around 40 pensioners would receive a payment of between £5 & £10.

### **Recommendation**

18. That, subject to paragraph 19, a payment of £50 be made to persons meeting the criteria set out in paragraph 13 above to assist these persons with payment of their council tax.
19. That the maximum amount of the payment be capped at the level of the eligible person's liability for council tax, with the minimum payment amount being £5.

### **Reasons for Proposed Decision**

20. To make payments to pensioners who have financial need.

### **21. List of Background Papers**

WAG letter - Council Tax Help for Pensioners

### **22. Wards Affected**

All

### **23. Officer Contact**

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## **COMPLIANCE STATEMENT**

### **COUNCIL TAX - HELP FOR PENSIONERS**

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

**Community Plan Impacts:**

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	Positive
Environment and Transport	No impact
Crime and Disorder	No impact

**Other Impacts:**

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement to consult under the Forward Work Programme.