

**POLICY AND RESOURCES CABINET BOARD
28TH APRIL 2011**

FINANCE & CORPORATE SERVICES

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

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SECTION A – MATTERS FOR DECISION

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 for 2011/12 and to recommend how that scheme might be implemented in Neath Port Talbot.

Background

2. The Assembly has made a total of £3.9m available across Wales to support authorities in respect of expenditure incurred during 2011/12 “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 £3.9m has been distributed on the Older Adults formula used in the calculated of SSA for 2011/12 and the allocation to Neath Port Talbot is £202,709, with a further £5,000 in respect of administrative costs.
4. If all or part of the allocation is not spent by 31st March 2012, 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 30th June, 2011.

Approach in Previous Years

6. The allocation for 2011/12 is similar to the allocation for 2010/11 when the approach taken was a payment of £105 to pensioners aged 65 or over who were liable persons for council tax and who were on partial council tax benefit at a given date, subject to limiting the payment to the council tax liability and to a minimum payment of £5.

7. The outcome of this approach was that:
 - 1,637 pensioners received a payment of £105;
 - 263 pensioners received a payment between £50 and £105;
 - 305 pensioners received a payment between £5 and £50.
8. This was the approach taken by the majority of Welsh authorities, although the amount of the payment did vary from authority to authority, depending on their allocation from the Assembly and the number of pensioners who qualified for the payment.
9. This approach has a number of advantages and worked well in 2010/11:
 - 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.
10. On the other hand, it 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. .
11. 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 for 2011/12

12. 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 30th June 2011.
 - Eligible persons must be aged 65 or over on 30th June 2011.
 - Eligible persons must be in receipt of partial council tax benefit on 30th June 2011 in respect of the chargeable dwelling which is their sole or main residence and on which they are liable to pay council tax.

13. On current numbers of pensioners receiving partial council tax benefit, a payment of £100 (subject to the qualification in paragraph 14 below) would result in expenditure in line with the grant allocation with payments being made to around 2,240 people.
14. If a pensioner's liability to council tax, after council tax benefit, is less than £100, the payment will be capped at the level of liability for council tax, with a minimum payment amount of £5.
15. The outcome of adopting this scheme would be:
 - around 1,700 pensioners would receive a payment of £100;
 - around 280 pensioners would receive a payment of between £50 and £100;
 - around 260 pensioners would receive a payment of between £5 and £50.

Recommendation

16. That, subject to paragraph 17, a payment of £100 be made to persons meeting the criteria set out in paragraph 12 above to assist these persons with payment of their council tax.
17. 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

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

List of Background Papers

19. WAG letter – Council Tax Help for Pensioners

Wards Affected

20. All

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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.