



REPORT TO:	CORPORATE & COMMUNITY COMMITTEE
DATE:	4 NOVEMBER 2021
SUBJECT:	LOCAL COUNCIL TAX SUPPORT SCHEME 2022/23
KEY DECISION:	NO
PORTFOLIO HOLDER:	COUNCILLOR JONATHAN NOBLE, PORTFOLIO HOLDER FOR FINANCE
REPORT AUTHOR:	SHARON HAMMOND, HEAD OF REVENUES AND BENEFITS
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	NO

SUMMARY

The Council Tax Support Scheme was introduced in April 2013, and the 2021/22 scheme was agreed in November 2020. This report informs members on the introduction and the operation of the scheme to date and provides an update on the process and the proposals put forward for consultation, prior to the formal approval of the 2022/23 scheme by Council in January 2022.

RECOMMENDATIONS

That the Committee reviews the scheme to date, reviews the proposals for the 2022/23 scheme, then makes recommendations on the Council Tax Support Scheme for the 2022/23 year for Cabinet consideration in December 2021 prior to Council approval in January 2022.

REASONS FOR RECOMMENDATIONS

To enable Members to review the operation of the scheme to date and consider scheme options for 2022/23 prior to the recommendation of a scheme to Cabinet and then Council once the consultation process is complete.

OTHER OPTIONS CONSIDERED

To not undertake a review.

1. INTRODUCTION AND BACKGROUND

- 1.1 The Council Tax Support (CTS) scheme provides reductions in Council Tax to give financial assistance to people on low incomes.
- 1.2 As part of the Government’s programme of welfare reform, the previous Council Tax Benefit (CTB) scheme was replaced by localised support arrangements for Council Tax from 2013/14, with Government grant support reduced by 10%. From April 2013, Councils have been required to establish local Council Tax Support (CTS) schemes. The support is in the form of a discount applied to the Council Tax demand notice.
- 1.3 The Welfare Reform Act also contains provisions regarding the introduction of Universal Credit which impacts on the future administration of Housing Benefit. There continues to be a phased approach to the introduction of a new single welfare credit. Universal Credit roll-out for the Boston area began in April 2015. Universal Credit full service was rolled out in the Boston area in September 2018 for new claims only. Migration of existing claims is not now due to be complete until at least 2024.
- 1.4 The 2013/14 introduction of CTS was accompanied by a cash-limited government grant to councils. This was taken into account in setting the Council Tax Base and when forming the first year’s CTS local scheme.
- 1.5 Whilst the new regulations provided councils with flexibility to set up their own local arrangements, the Government expressed clear intentions in relation to certain aspects of a local scheme. These included:
- For pensioners there should be no change in the level of awards because of this reform. This includes both existing and new benefit claimants. (The scheme for pensioners continues to be prescribed providing Council Tax Support up to 100%).
 - Councils were required to also consider ensuring support for other vulnerable groups
 - Local schemes should support work incentives and avoid disincentives to move into work.
- 1.6 The Government expects that Councils should continue to have a significant degree of control over how expenditure on the current council tax support bill is achieved. This includes freedom to collaborate to reduce costs, develop schemes that support priorities that are shared by a number of neighbouring authorities and the ability to manage financial risks.
- 1.7 At the time of setting up Boston’s first local scheme, the Council Tax Benefit caseload was made up in the following way –

Table 1 - Profile of CTB customers (as at July 2012)

	Number	Percentage	CTB expenditure
Working Age	3,194	50.05%	
Pensioners	3,187	49.95%	
Total	6,381	100%	£4,889,578*

* A breakdown of working age and pension age expenditure is not available.

- 1.8 Levels of CTS expenditure and caseload fluctuate through the year, and it is only at the end of a financial year that we can be assured of the total expenditure incurred. Pensioner caseloads tend to attract higher levels of awards than those of working age. This is due to factors such as higher levels of income, non-dependents in the household and generally going on and off benefits in the working age claimant group.

2. BOSTON'S LOCAL SCHEME

- 2.1 Since 2013 the Council's local scheme applies a number of principles:-
- Protecting the most vulnerable – pension-age and war pensioners
 - Continuation of a means-testing approach, based on the previous Council Tax Benefit rules as far as possible
 - The scheme will be reviewed annually
 - Protecting war pensioners from reductions in support
 - Maximum entitlement capped at 75% of Council Tax liability
- 2.2 The review of the scheme for 2021/22 identified that the projected costs were contained within the budgeted resources. A similar scheme to previous years, with up ratings in line with the Government for specific deductions, was approved for the current year. In addition, it was agreed that claims in respect of working age applicants who are working and in receipt of Universal Credit would be reassessed every 3 months, thereby reducing the frequency of Council Tax bills and re-profiling of instalments.

3. CURRENT SCHEME FIGURES

- 3.1 At 31 March 2021, the caseload and spend was as follows –

	Number	Percentage of Total	CTS expenditure
Working Age	2,340	51.55%	1,659,259
Pensioners	2,199	48.45%	2,161,590
Total @ 31/03/21	4,539	100%	3,820,849

- 3.2 Despite a reduction in total caseload compared to 31 March 2020, the outturn position for scheme expenditure in 2020/21 was a 0.33% increase when compared to 2019/20. This is primarily due to the increase in council tax, including charge for Adult Social Care. The cost of the scheme is borne by major preceptors (LCC, LPCC & BBC) in proportion to their precepts. The cost to the Borough Council is approximately 11%.
- 3.3 At 31 August 2021, caseload and expenditure for 2021/22 was as follows –

	Number	Percentage of Total	CTS expenditure
Working Age	2,287	51.45%	1,713,155
Pensioners	2,158	48.55%	2,123,384
Total	4,445	100%	3,836,539

This will continue to fluctuate, and final expenditure will not be determined until 31 March 2022.

4. PROPOSALS FOR THE 2022/23 COUNCIL TAX SUPPORT SCHEME

- 4.1 The DWP has not published its plans yet for completing the full migration to Universal Credit for working age claimants and the timescale therefore remain uncertain, although it is not unlikely to be until at least 2024.

With numbers of Universal Credit claimants rising due to the covid pandemic, the change introduced by this Council from April 2021 to reassess working age claims who are working and in receipt of universal credit every 3 months has helped to provide some consistency and stability for claimants, reducing the frequency of new bills and re-profiling of instalments. The scheme remains flexible ensuring discretion for earlier re-assessment where an applicant has a significant or permanent change in their income within the 3-month period.

- 4.2 Given the ongoing uncertainties of covid, and the migration to Universal Credit, in considering the options for the 2022/23 CTS scheme, there is no overriding reason for fundamental change at this time. The change made last year to reduce the frequency of changes for Universal Credit claimants has been beneficial and will continue to form part of the ongoing principles of the scheme for future years.

- 4.3 Through the consultation, views for 2022/23 are being sought on: -

1. Do you think that the Council should retain its current scheme for the next financial year, to provide continuity?
2. Each year the Government reviews and generally increases the amount people need to live on for the calculation of welfare benefit. By applying the same changes to our Council Tax Support scheme, we would ensure that our scheme remains up to date with the Department for Work and Pensions (DWP) allowances and premiums each year.

Do you think we should increase our scheme in line with the Department for Work and Pensions provisions for 2022/23 and future years?

- 4.3.1 Retention of the current scheme for the next financial year will provide continuity for claimants at a time when they might be experiencing other financial and personal difficulties due to covid and the current economic climate. There would be no major changes to the level of Council Tax Support that a customer receives. It will also maintain a consistent approach in respect of the core principles of Boston's CTS scheme since its introduction in 2013/14. It continues to recognise the additional needs of the vulnerable through the approach to its calculation.
- 4.3.2 Updating the scheme with the DWP uprating's for 2022/23 will maintain a consistent approach to the previous scheme decisions, and in turn it will maintain alignment with the DWP national benefit uprating provisions.

4.4 **Administrative Change**

- 4.4.1 The following administrative change is proposed for introduction into the CTS scheme. This will not change the core scheme policy, its intent or principles, but it will make it easier for new claimants to access CTS.

4.4.2 Link CTS to the award of UC

Most new claims for CTS are received by claimants who have applied for Universal Credit. Applications for UC are made to the Department for Work and Pensions, applications for Council Tax Support need to be made to the local authority.

This means that the claimant must deal with two organisations and make separate applications to get the help they need.

Where a UC claimant indicates they would like to apply for Council Tax Support when they make their UC claim, details are sent to the relevant council through the Universal Credit Data Sharing hub (UCDS).

The introduction of a link to the award of UC for CTS would remove the current requirement for the customer to make a separate application for CTS.

It is proposed that for 2022/23 the scheme is amended to enable a UCDS new claim notice from the DWP, to be treated as a CTS application, thereby simplifying the process for the claimant.

5. ADDITIONAL INFORMATION

- 5.1 The Council is required to consult with major preceptors and the public in terms of any scheme changes. Any consultation should run for a reasonable period of time, and the responses to the consultation will be made available to members, and ultimately Council, as part of the decision-making process.
- 5.2 The financial risk of the localised scheme is shared with Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire, as our major precepting authorities. Unlike Council Tax Benefit which was a fully funded scheme, Council Tax Support is now a local discount, and has the effect of reducing the council tax base.
- 5.3 The final decision regarding the local scheme design rests with this Council.

6. DECISION MAKING AND CONSULTATION

- 6.1 In order to ensure that the 2022/23 localised CTS scheme is implemented for April 2022, the following timetable of consultation and decision making is being followed:-

Consultation - Major preceptors, public and other interested parties, Corporate & Community Committee	22 September 2021 to 12 November 2021
Consultation Response Analysis	19 November 2021
Cabinet (to recommend the 2022/23 CTS scheme)	8 December 2021
Full Council (to approve the 2022/23 CTS scheme)	17 January 2022
Implementation of 2022/23 CTS scheme	1 April 2022

- 6.2 All feedback from the consultation will be considered as part of the final 2022/23 scheme decision making process.

FINANCIAL IMPLICATIONS

As advised, the proposal for the 2022/23 CTS scheme is in line with the current scheme and in line with the costs of the current year scheme. The actual financial impact of any scheme will be subject to the normal fluctuations in demand as determined by various factors including economics, needs and demographics as well as overall council tax base which are part of the normal MTFS and consultation process to be undertaken.

LEGAL IMPLICATIONS

The Council tax reduction scheme regulations 2013 requires that councils review local schemes on an annual basis.

RISK IMPLICATIONS

None in regard to this report. There is a context of risk and uncertainty in regard to committee considerations.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

EQUALITY AND SAFEGUARDING IMPLICATIONS

None in regard to this report. The existing Local CTS scheme continues the DWP's previous Council Tax Benefit scheme conventions established over many years, regarding protections for vulnerable groups, including children, the disabled and war pensioners.

The current scheme and its equalities are part of the process. An Equality Impact Assessment is not required at this time.

OTHER IMPLICATIONS

None

CONSULTATION

Consultation for the 2022/23 Council Tax Support scheme proposal, as agreed with the Portfolio Holder for Finance, is being carried out with major precepting authorities, and public.

The survey is published on the Council's website and social media sites. An article has been placed in the Boston Bulletin. A copy of the survey and press release has been circulated to all Parish Councils a paper copy can also be requested by contacting the Council's Transformation Officer.

The consultation will run between 22 September and 12 November 2021.

Consideration of the scheme proposals as set out in this report to the Corporate and Community Committee forms part of the consultation process.

APPENDICES

None

BACKGROUND PAPERS

None

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

REPORT APPROVAL	
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Signed off by:	Samantha Knowles Assistant Director – Finance sknowles@sholland.gov.uk
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Approved for publication:	Name of Councillor (if required)
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FINANCE PROFORMA

PROFORMA FOR APPROVAL OF THE RELEASE OF RESOURCES

(CAPITAL AND REVENUE BUDGETS)

FROM:

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED

REPORT:

REPORT DATE:

OPTION 1	£ Year 1 2020/21	£ Year 2 2021/22	£ Year 3 2022/23	£ Year 4 2023/24	£ Year 5 2024/25
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Revenue

Total Revenue Cost

Funding required:

Total capital cost £

Revenue cost £

Considered by:

Enter committee here

Enter Council or
Cabinet/Executive here

Date:

Financial Services Comments

There are no financial implications arising at this stage. The report to Council seeking approval on the 2022/23 CTS scheme to be adopted will identify budgetary considerations which will then be included in the 2022/23 Budget and Medium-Term Financial Strategy.

Risk

That future caseload increases, and/or that impacts of wider Welfare Reform measures accrue, and additional costs are incurred.

Procurement

n/a

Value for Money Efficiency

n/a

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