



REPORT TO:	Council
DATE:	23 January 2023
SUBJECT:	Local Council Tax Support Scheme 2023/24
PURPOSE:	To determine the Council Tax Support scheme for 2023/24.
KEY DECISION:	N/A
PORTFOLIO HOLDER:	Councillor Jonathan Noble, Portfolio Holder for Finance
REPORT OF:	Christine Marshall, deputy Chief Executive – Corporate Development (S151)
REPORT AUTHOR:	Sharon Hammond, Head of Revenues and Benefits (PSPS)
WARD(S) AFFECTED:	All
EXEMPT REPORT?	No

SUMMARY

This report seeks Council approval of the Cabinet decision on the final proposals for the 2023/24 Local Council Tax Support scheme,

The Local Government Finance Act 2012 introduced the framework for localism of Council Tax Support.

RECOMMENDATION

That Council approves the Cabinet recommendation for continuation of the current Council Tax Support scheme, including uprating in line with DWP's annual update of allowances and premiums for 2023/24.

REASONS FOR RECOMMENDATIONS

This Council must make any revision to its scheme, or any replacement, and agree its final scheme no later than 11 March 2023 in respect of the 2023/24 financial year.

Retention of the current scheme will provide continuity for customers in terms of the level of support provided, and it will maintain scheme expenditure at an affordable level.

OTHER OPTIONS CONSIDERED

No change. This would retain the current scheme into 2023/24, not updated in line with DWP updating of allowances and premiums.

1. BACKGROUND

- 1.1 Council Tax Support (CTS) provides financial assistance to people on low incomes, by way of reduction in Council Tax. Each year the Council needs to consider whether to review its CTS scheme. This report advises the conclusion of the annual review and the results of consultation for the 2023/24 scheme.
- 1.2 The Local Government Finance Act 2012 sets out the process by which Councils must approve a local Council Tax Support scheme, including consultation with major preceptors and stakeholders, to inform a final scheme design.
- 1.3 Local CTS schemes replaced the former national Council Tax Benefit (CTB) scheme from April 2013. The scheme for pensioners continues to be prescribed by government and allows up to 100% support against Council Tax liability.
- 1.4 The Welfare Reform Act contained provisions regarding the introduction of Universal Credit (UC) which impacts on the administration of Housing Benefit. UC was introduced for the Boston area in April 2015, and the full service was rolled out in September 2018, for new claims only. The government has confirmed their latest plans for the migration of existing legacy claims to be complete by the end of 2024.
- 1.5 The scheme for Working Age claimants is determined locally. The Government set out its expectations for local authorities to protect the vulnerable and for schemes to support incentives to work.
- 1.6 Boston Borough Council has retained a Council Tax Support Scheme since April 2013 that requires all working age households to pay at least 25% of their Council Tax liability. 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 CTB rules as far as possible
 - The scheme will be reviewed annually
 - Protecting war pensioners from reductions in support

- 1.7 Since April 2022, the scheme also provides for discretion to disregard national schemes introduced during a financial year in the calculation of Council Tax Support.

2. CURRENT SCHEME FIGURES

- 2.1 At 31 May 2022 the CTS caseload and spend was as follows: -

	Total Claims	Percentage of Total	2022/23 CTS Expenditure
All Groups	4142		3,675,639
Elderly	2038	49.20%	2,063,578
Working Age	2104	50.80%	1,611,061

- 2.2 The cost of the scheme is borne by major preceptors, Lincolnshire County Council, and Police and Crime Commissioner for Lincolnshire, in proportion to their precepts. The cost to the Borough Council is approximately £493k (13.4%).
- 2.3 It remains difficult to forecast caseload and expenditure with any degree of certainty in the current economic climate. As the level of CTS expenditure fluctuates through the year, 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 and are generally more static. As the scheme responds to circumstances and the economic climate, the caseload will also fluctuate, increasing and reducing as people go on and off benefits across the working age claimant group.

3 CURRENT ECONOMIC POSITION

Cost of Living

- 3.1 As part of this years' review, there is recognition of the cost of living and energy cost crises, and the uncertainty and difficulties that households are experiencing.
- 3.2 We are likely to see fluctuations in numbers of CTS claimants, potentially increasing with the prospect of a recession, and the subsequent increased demand for benefits and local support for low-income households.
- 3.3 Any change to a CTS scheme must be considered alongside wider challenges faced by local authorities; the need to strike a balance between a local fair and affordable CTS scheme which provides support to those in most need, and the cost of the scheme to all residents is essential. As such, the importance of maintaining current levels of support, providing consistency and continuity for customers, has been a priority consideration in the proposals for the next financial year.

Further Support

- 3.4 In addition to the local CTS scheme, the council has discretionary powers to award one-off Council Tax discounts to support households where there are exceptional personal circumstances or hardship. In line with local policy, applications are determined on a case-by-case basis, therefore ensuring due consideration is given to the unique circumstances of

the applicant. It is anticipated, due to the current crises, that the council may see greater demand on the discretionary scheme.

- 3.5 BBC provides information on a range of wider support schemes which are delivered by, or signposted by, the council. Full details are published, and maintained, on the website and include the current Household Support Fund schemes.
- 3.6 People who are struggling to pay their Council Tax are encouraged to make contact with the council. This helps to ensure households are receiving any discounts and reductions that they may be eligible for. Alternative payment arrangements can also be made, for example helping with frequency of payment, or extending over a longer period.
- 3.7 By the end of November, a share of a discretionary Energy Rebate fund of £119k will be distributed to eligible low income / benefit households.

4 2023/24 SCHEME CONSULTATION

- 4.1 Consultation for the 2023/24 scheme proposals, as agreed with the Portfolio Holder for Finance, took place between 15 August and 30 November 2022, and sought views on:
 - i) Retaining the current scheme, and
 - ii) Updating in line with the Department for Work and Pensions uprating provisions
- 4.2 Major precepting authorities have been consulted on the proposals.

The Police and Crime Commissioner has responded, noting the proposal to retain the current scheme, aligned to the DWP uprating.
- 4.3 The Corporate and Community Committee received a report at its meeting on 6 October 2022 inviting review of the current scheme operation, and consideration of the proposals for 2023/24.

Members supported the retention of the current scheme and agreed the Council should uprate in line with DWP provisions, and were also in agreement that a fundamental review should take place with the view of improving the service, making it easier for claimants and saving money for the Council.
- 4.4 The wider public and stakeholder consultation was published by media release and on the Council's website and social media sites. The questionnaire was made available on the website, and paper copies were available on request.
- 4.5 A total of 87 responses have been received. Although an increase on the previous year, this is still a low response rate and it has to be recognised that the results cannot be relied upon as being wholly representative or statistically significant.
- 4.6 High level findings of responses are summarised: -
 - 56 (68%) respondents that answered this question agreed that the council should retain the current scheme for the next financial year.
 - 63 (75%) respondents that answered this question agreed we should increase the scheme in line with DWP uprating provisions for 2023/24 and future years.

4.7 The full consultation report is shown at Appendix A. This includes a copy of the consultation survey form.

5. CONCLUSION

5.1 The recommendation made to retain the current scheme for 2023/24 along with uprating and harmonisation with DWP annual update of allowances and premiums will continue to align the CTS scheme for working age customers with DWP provisions for Housing Benefit and the CTS scheme for pensioners. This has been consistent each year since the introduction of local Council Tax Support schemes.

This is supported by the feedback obtained through the consultation exercise. This will provide consistency for claimants, and there will be no new additional impacts on current levels of expenditure as a result of the recommendations.

EXPECTED BENEFITS TO THE PARTNERSHIP

There are no benefits to the partnership as a direct result of this report.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

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.

RISK MANAGEMENT

None

STAKEHOLDER / CONSULTATION / TIMESCALES

The Section 151 Officer and Portfolio Holder for Finance have been consulted.

Legislation requires consultation to be carried out with major precepting authorities, the public and other stakeholders where changes to the scheme are proposed. Consultation has been carried out, as detailed in Section 4 of this report.

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

The existing Council Tax Support scheme continues to be delivered on the basis of the DWP's previous Council Tax Benefit scheme regarding protection for vulnerable groups, including children and the disabled.

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

CTS: Council Tax Support

UC: Universal Credit

CTB: Council Tax Benefit

APPENDICES

Appendix A – Consultation Report

BACKGROUND PAPERS

None

CHRONOLOGICAL HISTORY OF THIS REPORT

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

REPORT APPROVAL

Report author:	Sharon Hammond, Head of Revenues and Benefits
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Approved for publication:	Portfolio Holder for Finance