

STROUD DISTRICT COUNCIL

COUNCIL

17 FEBRUARY 2022

Report Title	Council Tax Support Scheme			
Purpose of Report	To set a Council Tax Support Scheme for the period 01 April 2022 to 31 March 2023.			
Decision(s)	Council RESOLVES to adopt the scheme and changes for 2022/23 as recommended by the Strategy and Resources Committee.			
Consultation and Feedback	Consultation took place between 15 November 2021 and 31 December 2021.			
Report Author	Simon Killen, Revenue & Benefits Manager Email: simon.killen@stroud.gov.uk			
Options	Council could choose to adopt a local scheme that reduces the Council Tax support that working age claimants receive			
Background Papers	None			
Appendices	Appendix A – Summary of Scheme Appendix B – Changes to existing scheme			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

1. INTRODUCTION / BACKGROUND

- 1.1 The Welfare Reform Act 2012 abolished Council Tax benefit. Section 10 of the 2012 Act added a new section 13A to the Local Government and Finance Act 1992 so that, in respect of dwellings in England, a person's liability to pay Council Tax is reduced in accordance with the billing authority's Council Tax Reduction Scheme. Liability may be reduced "to such an extent as the billing authority thinks fit." Billing authorities can apply a reduction in particular cases or by determining a class of case. Liability for Council Tax can be reduced to nil.
- 1.2 Each billing authority is required to develop a local Council Tax Support scheme each year for working age people.
- 1.3 Since 2013/14 the Council has adopted the Governments default scheme which has meant no changes or reduction in the support we provide
- 1.4 Council Tax Support is provided to around 6,000 households at an annual cost of £6.5m which includes both working age and pension age claimants. Working age caseload is around 3,200 households, a small % increase since the start of the pandemic.
- 1.5 Within Gloucestershire some of our neighbouring authorities have reshaped their schemes to an income banded scheme whilst others have changed to include a maximum % award.

- 1.6 More recently income tolerance levels have been adopted to simplify the administration process alongside universal credit.
- 1.7 Between 15/11/21 and 31/12/21 a consultation was carried out on the council's website. This was seeking views from residents, as well as interested parties such as Citizens Advice, on the Council Tax support scheme. The consultation provided very little feedback, other than clarification around administration and process.
- 1.8 Residents over state pension age are protected from any changes.

2. MAIN POINTS

- 2.1 Since 2013/14 the funding from central government to support the local working age scheme has continued to reduce in line with other central funding cuts. The council has so far absorbed any shortfall in funding assisted by utilising our local powers to reduce council tax discounts on empty properties, along with a premium charge.
- 2.2 If we were to look to reduce costs to the council, changes would have to be made to the level of support provided to working age claimants.
- 2.3 We need to modernise and make changes to the current scheme so that it works together with the changes that are being made at a national level with the roll out of Universal Credit. People who have made the transition to Universal Credit have their entitlement to this recalculated each month, taking into account any fluctuations in income. As Universal Credit is income for the purposes of council tax support, a change also has to be made to the person's council tax support. This then results in revised changes to council tax instalments every month which can make budgeting very difficult for those claimants.
- 2.4 We receive over 2,000 changes of circumstances each month, which is an increase of 47% on previous years, significantly increasing the administrative work of the team and the inconvenience for claimants. The changes to the scheme will make a major impact on streamlining this process.
- 2.5 On 3rd February 2022 the government announced a Council Tax Energy Rebate payment of £150 to households in Council Tax Bands A-D. This payment must be disregarded as income for the purposes of calculating eligibility for both working age and pensioner local Council Tax support schemes in 2022/23. Once the government lay regulations, the scheme will be updated to reflect this change.

3. CONCLUSION

- 3.1 As more people claim Universal Credit or transfer to it, the need to revise the council tax support scheme and simplify the administration, make the claiming process easier and simpler, becomes more pressing.
- 3.2 The report recommends we continue to provide a maximum of 100% support and to adopt the proposed administration changes in Appendix B.

4. IMPLICATIONS

4.1 Financial Implications

Any administrative savings are likely to be in officer time only at this point.

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4.2 Legal Implications

The Local Government Tax Support 'LCTS' scheme is required under section 13A of the Local Government Finance Act 1992 ("the Act") (updated in 2012). The Act states that for each financial year, local authorities must consider whether to revise their LCTS scheme or replace it with another scheme.

The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, the local authority must, in the following order: -

1. consult with any major precepting authorities
2. publish the draft scheme
3. consult other parties likely to have an interest in the scheme

If a local authority does not make/revise a LCTS scheme by the prescribed deadline, a default scheme will be imposed on the authority which will be effective from April 2022.

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4.3 Equality Implications

The council is committed to equality and the fair application of the policy, ensuring that people receive fair outcomes in the standard of service they receive from the Council, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

4.4 Environmental Implications

There are no significant implications within this category.