

<b>REPORT TO:</b>	Council
<b>DATE:</b>	1 March 2023
<b>SUBJECT:</b>	Local Council Tax Support Scheme 2023/24
<b>PURPOSE:</b>	To determine the Council Tax Support Scheme for 2023/24
<b>KEY DECISION:</b>	No
<b>PORTFOLIO HOLDER:</b>	Councillor Richard Fry, Executive Portfolio Holder for Finance
<b>REPORT OF:</b>	Christine Marshall, Deputy Chief Executive – Corporate Development (S151)
<b>REPORT AUTHOR:</b>	Sharon Hammond, Head of Revenues and Benefits (PSPS)
<b>WARD(S) AFFECTED:</b>	All
<b>EXEMPT REPORT?</b>	No

#### **SUMMARY**

This report seeks Council approval of the Executive Board 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 Executive Board 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

Full 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.

Continuation of the current scheme will continue to align the CTS scheme and uprating 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 the local scheme.

## OTHER OPTIONS CONSIDERED

The 'do nothing' option was considered, which would see the current scheme retained without uprating.

## 1. BACKGROUND

- 1.1 The Council Tax Support (CTS) scheme provides reductions in Council Tax to give financial assistance to people on low incomes. Each year the Council is required to consider whether to revise its local Council Tax Support (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. Regulations include protection for pensioners but allow Councils to make changes in the way that support is calculated for working age claimants.
- 1.3 Council Tax Support replaced the former national Council Tax Benefit (CTB) scheme from April 2013. The CTS scheme for pensioners continues to be prescribed by government and allows up to 100% support against Council Tax liability.
- 1.4 The scheme for Working Age claimants is determined locally, however the Government set out its expectations for local authorities to protect the vulnerable and for schemes to support incentives to work. Where Councils seek to amend their scheme, it is necessary to consult major preceptors and stakeholders to inform a final scheme design.
- 1.5 East Lindsey District 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 core principles of East Lindsey's local CTS scheme are: -
  - **Protection for : -**  
People over pension age (as prescribed by Government)  
All War Disablement Pensioners, War Widow and War Widowers
  - **People with children, disabilities or caring responsibilities will be supported**

Retain the core features of provision in the previous Council Tax Benefit (CTB) scheme that recognises additional needs of the disabled, those with children and those with caring responsibilities.

- **Incentives to work will be supported**

Retain provision within the previous CTB scheme, thereby maintaining the rate at which support is withdrawn as income increases.

- 1.6 Scheme changes were made in 2016/17 including restriction of CTS to Band D Council Tax liability. In 2019/20 a new class for Care Leavers was introduced, and in 2020/21 an earnings tolerance was introduced for Universal Credit claimants. From 2021/22 a provision was made in the local scheme for discretion to disregard national schemes introduced during a financial year in the calculation of support.

## **2 CURRENT ECONOMIC POSITION**

### **Cost of Living**

- 2.1 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.
- 2.2 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.
- 2.3 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**

- 2.4 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 crisis, that the council may see greater demand on the discretionary scheme.
- 2.5 ELDC 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.
- 2.6 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.
- 2.7 To support households with increasing energy bills, additional payments totalling almost £326k have been made to more than 12,000 eligible low income / benefit households under the East Lindsey discretionary Energy Rebate fund scheme.

### **3. 2023/24 SCHEME CONSULTATION**

- 3.1 Executive Board resolved at its meeting on 2 November 2022 that consultation be approved on continuation of the current Council Tax Support scheme, including uprating in line with DWP's annual update of allowances and premiums for 2023/24.
- 3.2 The consultation ran between 3 November 2022 and 16 December 2022.
- 3.3 Major precepting authorities have been consulted on the proposals.
- Lincolnshire County Council has responded to the consultation confirming it has no comments or objections to the proposals to keep the current scheme.
- The Police and Crime Commissioner has noted the proposal to retain the current scheme, aligned to the DWP uprating.
- 3.4 The wider public consultation included publicity through media release, website and social media. A total of 86 responses were received. Although an increase on last year, with such a low response rate it has to be recognised that the results cannot be relied upon as being wholly representative or statistically significant.
- 3.5 High level findings are summarised: -
- The majority of respondents, (73%) agreed that the council should retain the main characteristics of the current Council Tax Scheme.
  - 53% of respondents felt that the current scheme is fair and provides support to those most vulnerable.
  - 60% of respondents agreed we should increase the scheme in line with DWP provisions for 2023/24 and future years.
- 3.6 The full consultation report is shown at Appendix A.

### **4. ADMINISTRATIVE / MINOR SCHEME CHANGE**

- 4.1 From 2020/21, ELDC introduced a £15 weekly (£65 monthly) tolerance rule for Universal Credit customer change in earnings into its scheme. An administrative change is proposed from 2023/24 to update the wording for this tolerance rule to 'Universal Credit customer change in payment'.
- 4.2 This will maintain the benefit to the customer by smoothing fluctuating Universal Credit awards, providing some stability with small changes each month, whilst not disadvantaging customers receiving greater or occasional beneficial change. Retaining officer discretion to update on a case-by-case basis, subject to individual circumstances, will continue to ensure more permanent changes are processed and CTS awards updated accordingly. This scheme update will help to improve administrative efficiency in relation to the increasing volumes of Universal Credit Data Share records.

### **5. CONCLUSION**

- 5.1 The recommendation 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.
- 5.2 This is supported by 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 recommendation.
- 5.3 Further support may be available to households in need through other funding streams administered or signposted by the council.
- 5.4 The administrative / minor scheme change proposed will help to improve scheme administration efficiency of UCDS records.

### **EXPECTED BENEFITS TO THE PARTNERSHIP**

There are no benefits to the partnership as a direct result of this report, however, should there be support for a more fundamental review, whilst recognising the local CTS scheme is a matter for each individual authority, there may be opportunities for alignment of the review, and possibly some standardisation of future schemes.

### **IMPLICATIONS**

#### **SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

None

#### **CORPORATE PRIORITIES**

None

#### **STAFFING**

None

#### **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

The Local Government Finance Act 2012 introduced the framework for localism of Council Tax Support. The Local CTS scheme for 2023/24 must be approved by Full Council by 11 March 2023. Any change to CTS schemes must be subject to proper process, including consultation in order to protect the scheme from judicial review.

#### **DATA PROTECTION**

None

#### **FINANCIAL**

The proposal for the 2023/24 CTS scheme is anticipated to be broadly in line with the costs of the current year scheme, subject to demand. The impacts upon the Council's budgets once Council

approval has been given, will be included in the 2023/24 Budget and Medium Term Financial Strategy.

For reference the current 2022/23 CTS scheme expenditure is £11,294,184, of which the cost to East Lindsey District Council is around £960k (8.5%).

## **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 3 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

CTS: Council Tax Benefit

DWP: Department for Work and Pensions

UCDS: Universal Credit Data Share

<b>APPENDICES</b>	
<b>Appendices are listed below and attached to the back of the report: -</b>	
<i>APPENDIX A</i>	Consultation Report

**BACKGROUND PAPERS**

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

**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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