

Somerset West and Taunton Council

Full Council – 7 December 2021

Council Tax Support scheme for 2022/23

This matter is the responsibility of Executive Councillor Ross Henley, Corporate Resources

Report Author: Mark Antonelli, (Benefits Specialist)

1 Executive Summary / Purpose of the Report

- 1.1 To advise and update members on the current Council Tax Support scheme. To propose no changes to the Council Tax Support scheme for working age customers for 2022/23 other than to ensure continued alignment and uprating with national allowances and regulations for pensioners.
- 1.2 The Council Tax Support scheme is an income-related local discount scheme that helps people on low incomes to pay their Council Tax.
- 1.3 The rules for pension age people are set in regulations prescribed by the Government (the 'prescribed regulations'). The Council is responsible for designing a Council Tax Support scheme for working age people.
- 1.4 The prescribed regulations are updated each year by Government to take into account changes to the Department for Work and Pensions (DWP) Housing Benefit regulations and wider policy measures. Apart from including the amended prescribed regulations each year, there is **no statutory obligation** for a billing authority to revise or replace its local Council Tax Support scheme.
- 1.5 The regulations do however require that the Council formally considers whether it wants to review or revise its scheme for each new financial year.
- 1.6 It was our intention, as stated in the report that went to Full Council in December 2020, to undertake a review of our Council Tax Support scheme for working aged people in 2021, and to potentially implement a different scheme for the 2022/23 financial year. Any such review is a significant piece of work requiring detailed public consultation and robust modelling. In view of the move to implement a single unitary Council in 2023 we have postponed the review of the scheme until 2022. In deciding to postpone the review we have considered the following factors.
 - Our current Council Tax Support scheme for working age customers is robust
 - Any new scheme we implement as a result of a review this year would probably only operate for one year (2022/23), as the move to a single unitary will require a further review to agree a scheme for the unitary council.
 - There was no appetite from other districts to collaborate on a combined review this year

- We have recently maximised a level of automation based on the current Council Tax Support scheme to create efficiencies within the team

1.7 Consequently, as no changes are proposed (or feasible at this stage in the year) we are bringing this recommendation directly to Full Council.

1.8 A new county wide Council Tax Support scheme will need to be agreed in 2022 in conjunction with the other Somerset districts.

1.9 The current estimated cost of the scheme based on the caseload data as at 7 October 2021 is £9.35m per year. This will vary as demand and level of discount entitlement changes. The final estimated costs for 2022/23 will be determined in December 2021 using actual caseload data as at 30 November 2021.

2 Recommendation

2.1 To formally agree that the current Council Tax Support scheme for working age customers be retained for 2022/23.

3 Background and full details of the report

3.1 The Council has an obligation, under paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012 to **consider** whether to revise or replace its scheme. The same scheme (except for any changes to the prescribed regulations) could therefore remain in place for multiple years, if the authority considers each year whether to revise or replace it.

3.2 A summary of the key elements of our Council Tax Support schemes since 2013/14 can be found in Appendix 1.

3.3 Appendix 2 provides a summary of the current Council Tax Support scheme in operation for 2021/22.

3.4 Appendix 3 provides comparative data for each year since the introduction of Council Tax Support on 1 April 2013. The table provides information on caseloads and expenditure.

3.5 As at 7 October 2021, 10,995 customers were in receipt of reduced Council Tax charges through discounts.

Claimant type	Caseload	% of total caseload	CTS costs	% of total spend
Working age	6,747	61.36%	£4,632,632	49.56%
Pension age	4,248	38.64%	£4,731,845	50.44%
Total	10,995	100%	£9,346,477	100%

3.5 The actual Council Tax Base for 2022/23 is due to be approved in December 2021 and will be based upon updated caseload data on 30 November 2021.

3.6 As of 7 October 2021, our expenditure for 2021/22 is £9,346,477, which is £147,501 above the budget estimate included within the tax base for this year. While our Council Tax Support caseload has reduced from 11,318 on 22 October 2020 to 10,995 on 7 October 2021, we have seen an increase in the level of Council Tax

Support costs, mainly attributed to the increase in Council Tax charges in 2021/22. We are slowly seeing a reduction in Council Tax Support claims as we start to recover from the pandemic and customers move back into full time work. Given these conditions, there is a risk that the final costs for the year will exceed the current estimate. As the costs are expected to exceed the budget estimate, this is likely to result in a deficit in the Collection Fund in 2021/22, which will need to be reflected in the 2022/23 budget. SWTC will be liable for 11.3% of any such deficit.

4 Links to Corporate Strategy

- 4.1 The provision of a Council Tax Support scheme is a statutory duty and helps the Council meet its objectives for the strategic themes of ‘a transparent and customer-focused Council’ and ‘homes and communities’.

5 Finance / Resource Implications

- 5.1 The costs of the Council Tax Support scheme are shared between Council Tax precepting authorities through the Tax Base calculation. Council Tax income is credited to the Collection Fund which is then distributed to local authorities based on their approved precept. Any surplus or deficit on the Collection Fund – if tax collected is higher or lower than the precepts paid for the year – is paid to or recovered from local authorities in subsequent years. Town and parish councils are not liable for any surplus or deficit in the Collection Fund, with their share of risk borne instead by SWTC as billing authority.
- 5.2 The table below summarises the relative share of collection fund total income for 2021/22. This shows that most of the costs and risks for Council Tax Support are applicable to the other major preceptors.

Preceptor	2021/22 share of Collection Fund
Somerset West and Taunton Council	8.93%
Parishes	2.38%
Somerset County Council	71.25%
Police and Crime Commissioner for Avon and Somerset	12.70%
Devon and Somerset Fire & Rescue Authority	4.74%
Total	100%

- 5.3 Demand for local council tax support understandably increased during last financial year and this trend have continued in 2021/22. As part of the local government finance settlement the Government provided an additional one-off “LCTS Grant” to help mitigate the rising cost of council tax support and its impact on total Council Tax due to be collected. This was £225k for Somerset West and Taunton Council in 2021/22. There is no indication currently that similar grant support will be provided in 2022/23 therefore, it is prudent to assume that the full cost of LCTS will be funded by SWTC and the other council tax preceptors next year. Any additional government grant (if any) is likely to be confirmed with the Provisional Settlement in late December which will be after the Council Tax Base for 2022/23 is approved.

6 Legal Implications

- 6.1 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the Council Tax Support scheme is to be

revised or replaced.

7 Climate and Sustainability Implications

7.1 There are no direct carbon/environmental impacts arising from the recommendations.

8 Safeguarding and/or Community Safety Implications

8.1 There are no safeguarding or community safety implications arising from the recommendations.

9 Equality and Diversity Implications

9.1 An Equality Impact Assessment (EIA) was carried out in 2018/19 when we updated and consulted on the Council Tax Support scheme and an action plan was produced and formed part of the report to full council last year on the Council Tax Support scheme for 2021/22. With the recommendation to continue with the current scheme for 2022/23, this EIA is still valid.

9.2 Within the original EIA it was highlighted that care leavers would receive additional support to meet their Council Tax shortfall. Within the Revenues team we have now addressed this to provide a full exemption for care leavers.

9.3 Overall, the public are satisfied with the Council Tax Support scheme, and we have received very few complaints or criticisms of the scheme.

10 Social Value Implications

10.1 There are no social value implications arising from the recommendations.

11 Partnership Implications

11.1 Following the decision to create a single unitary authority from the 2023/24 tax year work will need to be undertaken during 2022/23 to develop a Council Tax Support scheme for the unitary authority.

12 Health and Wellbeing Implications

12.1 Council Tax Support is to help provide financial support for people on low incomes, which has a knock-on benefit for health and wellbeing.

13 Asset Management Implications

13.1 There are no asset management implications arising from the recommendations.

14 Data Protection Implications

14.1 There are no data protection issues arising from the recommendations.

15 Consultation Implications

15.1 If the Council wishes to revise or replace its current scheme, it must consult with precepting authorities (Somerset County Council, Avon and Somerset Police, and Devon and Somerset Fire and Rescue Authority), publish a draft scheme and then consult with such persons as are likely to have an interest in the operation of that scheme prior to

determining the scheme. If any proposed revision is to reduce or remove a reduction to which a class of person was entitled, the revision must include such transitional provision as the Council sees fit.

15.2 Case law has confirmed that consultation must

- be undertaken when proposals are at a formative stage.
- include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response.
- give consultees sufficient time to make a response; and
- be conscientiously considered when the ultimate decision is taken.

15.3 We last carried out a public consultation between 16 July 2018 and 10 September 2018 before the adoption of the current Council Tax Support scheme. As well as the public, we sought views from the major preceptors, welfare support agencies and advisory groups.

15.4 No significant changes are proposed to our existing scheme and consequently no formal consultation is required.

16 Scrutiny/Executive Comments/Recommendations

Democratic Path:

- **Scrutiny / Committees – No**
- **Executive – No**
- **Full Council – Yes**

Reporting Frequency: Annually

List of Appendices (delete if not applicable)

Appendix 1	The evolution of the Council Tax Support scheme since 1 April 2013
Appendix 2	The 2022/23 Council Tax Support income band scheme for working age customers
Appendix 3	Comparative data on caseload and expenditure
Appendix 4	Equalities Impact Assessment 2018/19

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