

Subject:	Local Council Tax Support Scheme 2021/22	Status:	For Publication
Report to:	Council	Date:	9 December 2020
Report of:	Head of Customer Services & I.C.T.	Portfolio Holder:	Communities
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	That Full Council approve the Rossendale Local Council Tax Support Scheme for 2021/22 as set out in this report.

2. PURPOSE OF REPORT

- 2.1 To seek approval for the Rossendale Borough Council's Local Council Tax Support Scheme for 2021/22. There have been no significant policy changes to the scheme from last year. This report also provides background regarding the current number of claimants for the Council Tax Support Scheme.

3. BACKGROUND

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

- 3.2 Council Tax Benefit is regulated at a national level and this was replaced by local schemes of Council Tax Support from the 1st April 2013. Individual authorities were granted the freedom to design and implement their own local schemes, with the exception that any local scheme could not leave any pension age claimants worse off than under the previous national benefit regulations.

The effect of these changes was a reduction in funding by approximately 20% for working age claimants and after consultation Rossendale adopted a local scheme, based on the previous council tax benefit regulations, but with a 20% reduction in entitlement for working age customers.

The decision to continue with a Council Tax Support scheme based on the housing benefit / council tax benefit regulations ensures that in practice the scheme remains effectively a means tested benefit.

- 3.3 The rollout of DWP's Universal Credit in Rossendale started on the 21st November 2018 and this is currently scheduled to be completed by the end of 2024, this date may change.

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Around 36% of the current Council Tax Support Claimants are pensioner households and these will not move to Universal Credit but will remain part of the Council Tax Support scheme. The other 64% who are not pensioner's households will eventually transfer over to Universal Credit.

Some local authorities are now changing their Council Tax Support schemes for working age customers with a view to simplifying the administration of the scheme and reducing costs. This is not being proposed for Rossendale at present. The Rossendale contract for the provision of revenues and benefits services with Capita does include provision for technical support in modelling and preparing a new scheme should this be required.

- 3.4 The number of Council Tax Support claims changes daily, a snapshot taken of the October caseload is detailed below. There were 32,233 domestic properties in Rossendale based on the October return. Of these 473 were exempt from Council Tax, 123 2nd homes and 948 classed as vacant. This leaves 30,689 occupied and with a liability to pay Council Tax. 18.6% of these properties have residents with an entitlement to council tax support.

Council Tax Support Caseload	2nd Adult Rebate Claims	Council Tax Support	Council Support (Universal Credit)	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)
Pensioner Claims	9	2029	n/a	2038	2038
Working Age (employed) claims	2	272	265	539	3659
Working Age (other) claims	10	1803	1307	3120	
Total Claims By Type (2AR, CTS, CTS UC)	21	4104	1572	5697	5697

Until March 2020, the Rossendale Benefits caseload had been falling steadily, however the Covid pandemic has led to a significant caseload increase. The Benefits caseload is now up on this time last year with an increase of 224 working age claimants. This is slightly offset by a fall of 140 pension age claimants. Uncertainty around the wider economy due to the Covid-19 situation means that it is difficult to predict caseload numbers in the medium term. Short term rises amongst working age customers are expected.

- 3.5 The cost of claims for 2020/21 is detailed in the table overleaf. As at the 1st November 2020, the total claims for 2020/21 was £5,155,057.22. The Council Tax Support scheme also results in a loss of income from Council Tax collection, this year's it represents 14.25% which equates to £734,595.73. There is no specific grant, which covers this amount, which had been the case under the former council tax benefit arrangements. The costs are therefore borne locally.

This snapshot shows that local costs have risen by a little over £41k (734.5k as against £693k last year). It should be stressed that these are snapshot figures that can change with new claims or claims closed each day. Recent rises have been associated with the caseload increase caused primarily by Covid-19. Due to current uncertainty it is difficult to accurately predict if these changes will persist in the medium term.

	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)	Total Claims (All CTS)	Rossendale Council Share (14.25%)
Pensioner Claims	£2,159,838.21	£2,159,838.21	£5,155,057.72	£734,595.73
Working Age (employed) claims	£276,365.89	£2,995,219.51		
Working Age (other) claims	£2,718,853.62			

3.6 There are no significant changes to the Rossendale scheme proposed for the current year, aside from any inflationary uprating to benefit entitlement levels and thresholds that may be applied nationally.

3.7 As Universal Credit is rolled out, the vast majority of working age claimants will be paid a contribution towards housing costs through Universal Credit rather than through housing benefit. As the current scheme is based on housing benefit, it will be necessary in the future to consider a new approach as housing benefit is phased out.

A small number of authorities have begun to move away from Housing Benefit linked systems. A significant amount of resource is required to be able to model and create a new Rossendale scheme. Any new scheme needs to be effective in both supporting vulnerable customers and protecting the council's financial position.

The development of a new scheme will be considered in the coming year.

4. RISK

4.1 The Local Council Tax Support Scheme is subject to annual approval, by full Council.

The Local Government Finance Bill states that an Authority must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.

If Rossendale did not pass a local scheme by the 11th March, then a default scheme would come into force, this would result in up to 100% relief for all working age customers, rather than the current 80%, the additional relief would have to be funded by Rossendale.

5. FINANCE

5.1 Financial implications are noted within the report.

6. LEGAL

6.1 No additional comments.

7. POLICY AND EQUALITIES IMPLICATIONS

7.1 Consultation has been undertaken with Management Team and the Portfolio Holder. There has been no significant policy changes to the scheme, therefore has not been re-assessed for equalities impacts

8. CONCLUSION

8.1 It is proposed that the existing scheme of council tax support be retained unchanged, with the exception of any inflationary upgrades to national benefit entitlements. Adoption of the scheme by full council before 11th March will meet the Councils statutory duty.

Background Papers	
Document	Place of Inspection
Current scheme 2020/21	https://www.rossendale.gov.uk/info/210150/benefits/10733/council_tax_support_scheme
Draft 2021/22 Scheme (uprated)	S.A.T office, Room 204, Futures Park, Bacup, OL13 0BB