Subject:	Local Council Tax Support Scheme 2021/22	**Status:**	For Publication		
Report to:	Council	**Date:**	15th December 2021		
Report of:	Head of Customer Services & I.C.T.	**Portfolio Holder:**	Communities		
Key Decision:	☐	Forward Plan ☒	General Exception ☐	Special Urgency	☐
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 2022/23 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 2022/23. 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 The national Council Tax Benefit scheme ended in March 2013 and 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.

Each billing authority has an annual duty to consider whether it is to revise or replace its Local Council Tax Support ("LCTS") scheme. The billing authority must make any revision to

its scheme or any replacement scheme, no later than 11 March of each year. There is no provision for changing the LCTS scheme in-year.

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. Around 37% 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 63% who are not pensioner households will almost all eventually transfer over to Universal Credit. A small number of working age claimants who live in temporary or supported accommodation will also remain in the scope of housing benefit.

A number of authorities have begun to move away from Housing Benefit linked systems, although these remain in the minority nationally. A significant amount of resource would be required to be able to model and create a new Rossendale scheme. Any new scheme would need to be effective in both supporting vulnerable customers and protecting the council's financial position. 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 November caseload is detailed below. There were 32,302 domestic properties in Rossendale based on the October return. Of these 489 were exempt from Council Tax, 115 2nd homes and 579 classed as vacant. This leaves 31,119 occupied and with a liability to pay Council Tax. 17.2% of these properties have residents with an entitlement to council tax support.

Council Tax Support Caseload	2nd Adult Rebate Claims	3rd Adult Rebate (UC) Claims	Council Tax Support	Council Support (Universal Credit)	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)
Pensioner Claims	8	0	1978		1986	1986
Working Age (employed) claims	0	1	209	292	502	3381
Working Age (other) claims	8	0	1499	1372	2879	
Total Claims By Type (2AR, CTS, CTS UC)	16	1	3686	1664	5367	5367

Council Tax support caseload has been falling steadily for a number of years. During 2020 caseload rose due to issues associated with covid-19. The underlying fall in caseload has now resumed and has fallen each month since August 2020. In the last 5 years caseload has fallen by 720.

3.5 The cost of claims for 2021/22 is detailed in the table overleaf. As at the 1st November 2021, total council tax support for 2021/22 was £4,976,775.66. The Council Tax Support scheme results in a loss of income from Council Tax collection. This year's the Rossendale share is 13.98% which equates to £695,707.10. There is no specific grant, which covers council tax support, 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 fallen by a little under £39k (695.7k as against £737.6k last year). It should be stressed that these are snapshot figures that can change with new claims or claims closed each day.

	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)	Total Claims (All CTS)	Rossendale Council Share (13.98%)
Pensioner Claims	£2,135,809.19	£2,135,809.19		
Working Age (employed) claims	£261,702.06	£2,840,636.47	£4,976,445.66	£695,707.10
Working Age (other) claims	£2,578,934.41			

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.

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 The increase in the number of residents claiming Council Tax Support as a result of Covid19 has had an impact on the Council, due to a reduction in Council Tax income in 2020/21.

All other 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 or equality changes to the scheme.

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