

Subject:	Council Tax Support Scheme 2023/24	Status:	For Publication
Report to:	Council	Date:	16 November 2022
Report of:	Head of Customer Services & I.C.T.	Lead Member:	Housing and Customer Services
Key Decision:	<input 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	No
Biodiversity Impact Assessment:	Required: No	Attached: No	No
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1. RECOMMENDATION(S)

That Full Council approve the Rossendale Local Council Tax Support Scheme for 2023/24 as set out in this report.

2. EXECUTIVE SUMMARY

- 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.
- It is proposed that the existing scheme of Council Tax Support be retained unchanged, except for upgrades to national benefit entitlements
- Adoption of the scheme by full Council before 11th March will meet the Councils statutory duty.

3. BACKGROUND

- 3.1 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.

- 3.2 The rollout of DWP’s Universal Credit in Rossendale started on the 21st November 2018 and is currently scheduled to be completed by the end of 2024, this date may change. Around 38% of the current Council Tax Support Claimants are pensioner households who will not move to Universal Credit. Government has given an indication that pensioner household will be moved from legacy benefits, but no clear steer on how and when this will happen. Certainly no moves will begin before 2024. The other 62% 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.
- 3.3 As Housing benefit is reduced, the case for a Council Tax support scheme based on Housing Benefit is eroded.

A number of authorities have begun to move away from Housing Benefit linked systems, although these remain in the minority nationally (around 20% of authorities). Any new scheme would need to be effective in both supporting vulnerable customers and protecting the council’s financial position. A significant amount of resource would be required to be able to model and create a new Rossendale scheme. It is not clear that there is any conclusive case for such a change at the present time, particularly if the end result was to maintain similar levels of support for customers as exist under the current system.

This is not being proposed for Rossendale at present. A detailed briefing on the potential options and issues involved has been circulated to the Overview and Scrutiny Committee.

4. DETAILS

- 4.1 The number of Council Tax Support claims changes daily, a snapshot taken of the November caseload is detailed below. There were 32,399 domestic properties in Rossendale based on the October return. Of these 507 were exempt from Council Tax, 119 2nd homes and 553 classed as vacant. This leaves 31,220 occupied and with a liability to pay Council Tax. 16.4% of these properties have residents with an entitlement to Council Tax Support.

Council Tax Support Caseload	2nd Adult Rebate Claims	2nd 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	10	0	1940		1950	1950
Working Age (employed) claims	0	0	148	263	411	3167
Working Age (other) claims	12	1	1301	1442	2756	
Total Claims By Type (2AR, CTS, CTS UC)	22	1	3389	1705	5117	5117

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 with the exception of March 2022 when we saw a small increase. In the last 5 years caseload has fallen by 1014.

- 4.2 The cost of claims for 2022/23 is detailed in the table overleaf. As at the 1st October 2022, total Council Tax Support for 2022/23 was £4,933,012.34. The Council Tax Support scheme results in a loss of income from Council Tax collection. This year’s the Rossendale share is 13.72% which equates to £676,809.29. 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 £19k (676.8k as against £695.7k 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 (13.72%)
Pensioner Claims	£2,182,533.50	£2,182,533.50	£4,933,012.34	£676,809.29
Working Age (employed) claims	£221,264.44	£2,750,478.84		
Working Age (other) claims	£2,529,214.40			

There are no local changes to the Rossendale scheme proposed for the current year. Nationally inflationary uprating to benefit entitlement levels and thresholds will be applied to the local scheme

5. RISK

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.

6. FINANCE

The current forecast assumes the continuation of the existing LCTS scheme, which is based on the 20% reduction in support levels. As such, maintaining the existing scheme will have no impact on the Council's financial forecast.

7. LEGAL

Under the Local Government Finance Act 2012, it is the duty of the Council to have localised Council Tax Support, in the form of a council tax reduction, each year.

8. POLICY AND EQUALITIES IMPLICATIONS

Consultation has been undertaken with Management Team and the Portfolio Holder. There has been no significant policy or equality changes to the scheme.

9. REASON FOR DECISION

Councils are required to set a Council Tax Support scheme annually, before the 11th March on the charge year, in this case 2023/24.

No conclusive case for significant amendment to the scheme has been identified at this time.

Background Papers	
Document	Place of Inspection
Council Tax Support Scheme 2022/23	https://www.rossendale.gov.uk/info/210150/benefits/10571/apply_for_council_tax_support