

STRATEGY AND RESOURCES COMMITTEE

11 FEBRUARY 2021

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Report Title	COUNCIL TAX SUPPORT SCHEME			
Purpose of Report	To set a Council Tax Support Scheme for the period 1 April 2021 to 31 March 2022			
Decision(s)	The Committee RECOMMENDS to Council that it adopts the current default scheme for 2021/22 keeping the scheme unchanged.			
Consultation and Feedback	Consultation took place between 14 December 2020 and 22 January 2021			
Report Author	Simon Killen – Revenue and Benefits Manager Email: simon.killen@stroud.gov.uk			
Options	The Council could choose to adopt a local scheme that reduces the Council Tax Support that working age claimants receive.			
Background Papers	None			
Appendices	Appendix A – Summary of Scheme 2021-22			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. BACKGROUND

- 1.1** The Welfare Reform Act 2012 abolished Council Tax benefit. Section 10 of the 2012 Act added a new section 13A to the Local Government and Finance Act 1992 so that, in respect of dwellings in England, a person's liability to pay Council Tax is reduced in accordance with the billing authority's Council Tax Reduction Scheme. Liability may be reduced "to such an extent as the billing authority thinks fit." Billing authorities can apply a reduction in particular cases or by determining a class of case. Liability for Council Tax can be reduced to nil.
- 1.2** Each billing authority is required to develop a local Council Tax Support scheme each year for working age people.
- 1.3** Since 2013/14 the Council has adopted the Governments default scheme which has meant no changes or reduction in the support we provide
- 1.4** Council Tax Support is provided to around 6.200 households at an annual cost of £6.7m which includes both working age and pension age claimants. Working age caseload has increased by around 16% as a result of the pandemic.
- 1.5** Within Gloucestershire some of our neighbouring authorities have reshaped their schemes to an income banded scheme whilst others are changing to include a minimum payment

- 1.6 Between 14/12/20 and 22/01/21 a consultation was carried out on the council's website. This was seeking views from residents, as well as interested parties such as Citizens Advice, on the Council Tax support scheme and banded scheme. The consultation provided very little feedback.
- 1.7 Residents over state pension age are protected from any changes.

2. MAIN POINTS

- 2.1 Since 2013/14 the funding from central government to support the local working age scheme has continued to reduce in line with other central funding cuts. The council has so far absorbed any shortfall in funding assisted by utilising our local powers to reduce council tax discounts on empty properties, along with a premium charge.
- 2.2 To reduce costs to the council, changes would have to be made to the level of support provided to working age claimants.
- 2.3 There is a need to modernise and make changes to the current scheme so that it works together with the changes that are being made at national level with Universal Credit. Currently those claimants may have their entitlement recalculated each month taking into account fluctuations in income. This can result in revised changes to council tax instalments every month which can be confusing and make budgeting difficult.
- 2.4 There is a risk that the cost on maintaining the current local scheme will increase as the number of claimants increases due to the state of the local and national economy.

3. RECOMMENDATION

- 3.1 The report recommends that the council continues with the existing scheme for 2021/22. This will allow the council to continue to provide up to a maximum 100% support, whilst protecting the most vulnerable residents in the district.
- 3.2 The Council Tax Hardship scheme will allow us to award additional discount of up to £150 where eligibility is not the full 100%.
- 3.3 The wider introduction of Universal Credit will impact on how Council Tax support is administered and consideration should be given to an alternative scheme for futures years.
- 3.4 During 2021/22 a full review and modelling will be carried out and new proposals brought forward for consideration to change the scheme from 2022/23. Any future scheme will need to provide protection for the most vulnerable claimants as well as aim to be cost neutral.

4. IMPLICATIONS

4.1 Financial Implications

The costs of the scheme are included within the Medium Term Financial Plan. The report sets out that a full review of the scheme will be undertaken during 2021/22 for consideration of the Council Tax Support Scheme from 2022/23.

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4.2 Legal Implications

The Local Government Tax Support 'LCTS' scheme is required under section 13A of the Local Government Finance Act 1992 ("the Act") (updated in 2012). The Act states that for each financial year, local authorities must consider whether to revise their LCTS scheme or replace it with another scheme.

The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, under Section 40 of the Act, the local authority must, in the following order:-

1. consult with any major precepting authorities
2. publish the draft scheme
3. consult other parties likely to have an interest in the scheme

If a local authority does not make/revise a LCTS scheme by the prescribed deadline, a default scheme will be imposed on the authority which will be effective from April 2021

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4.3 Equality Implications

The council is committed to equality and the fair application of the policy, ensuring that people receive fair outcomes in the standard of service they receive from the Council, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

4.4 Environmental Implications

There are no significant implications within this category.