

REPORT TO EXECUTIVE

Date of Meeting: 10 January 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Deputy Chief Executive

Title: Local Council Tax Support scheme 2023

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks Member's agreement on the Local Council Tax Support (CTS) scheme for working age residents for 2023/24.

Members are required to agree working age scheme rules annually.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council that the scheme in place for the current year continues for 2023-24 without substantive changes.

3. Reasons for the recommendation:

There are no immediate financial or practical reasons to recommend changing the existing scheme for 2023-24.

4. What are the resource implications including non-financial resources

The working age local Council Tax Support caseload has dropped back to pre-pandemic levels over the past 12 months. The scheme costs will increase in line with increases to the Council Tax charge from April 2023.

5. Section 151 Officer comments:

The financial implications set out in section 4 are noted. The financial impact of the scheme is managed through the Council Taxbase, which is also presented on the Agenda.

6. What are the legal aspects?

Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 11 March.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer to comment on.

8. Report details:

- 8.1 Exeter City Council's local Council Tax Support scheme remains largely based on the previous national scheme of Council Tax Benefit. The means test used to determine entitlement is still closely tied to the Housing Benefit scheme.
- 8.2 In September 2022 39% of households and 44% of expenditure for Council Tax Support was for pensioner cases. The scheme for pensioners is set by Central Government and the council therefore has no influence over the level of support given.
- 8.3 Universal Credit claimants now make up just over half of working age Council Tax Support cases. This proportion will continue to increase as the roll out of Universal Credit is ongoing. The recent Autumn Statement confirmed that the end date for the migration will now be in 2028.
- 8.4 The move to Universal Credit effectively breaks the link with the old means test in Housing Benefit and provides an opportunity to look again at the design of the local Council Tax Support scheme. A simpler scheme, more like other Council Tax discounts than means tested benefits, has advantages for both customers and the council. Once the software is available to allow for such a change, suitable options will be explored and brought forward for Members' consideration.
- 8.5 The local Council Tax Support scheme allows for a maximum award of 80% of a household's Council Tax bill. This means that even those on the lowest incomes must contribute to their bill. There is ongoing pressure on household finances due to increasing costs which is likely to include a higher than normal increase in the Council Tax bill from April 2023. This could lead to increased difficulty in meeting the minimum Council Tax payment for some. Additional support for struggling households can be provided through the Council Tax Exceptional Hardship Fund. The Chancellor has also announced a further Household Support Fund to run through 2023-24. Previous versions of the scheme have allowed for some targeting of extra help to Council Tax Support customers.
- 8.6 The level of arrears for Council Tax Support customers will be closely monitored over the coming months. If there is evidence that the minimum payment is causing increased arrears and hardship, costed options will be brought forward to increase the level of support available under the scheme from April 2024. This could include reducing the minimum payment for all customers or for particular vulnerable groups.

9. How does the decision contribute to the Council's Corporate Plan?

The Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low income residents meet their Council Tax liability. The Exceptional Hardship policy strengthens this support by ensuring that the scheme rules do not cause inadvertent hardship in individual cases.

10. What risks are there and how can they be reduced?

The current scheme of Local Council Tax Support is well known and understood. Retaining it in the current form presents little risk.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the proposal is not to change the scheme, therefore protections already built into the scheme still apply. An Equality Impact Assessment accompanies this report and Members are requested to have read this assessment.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

Council can choose to make changes to the scheme from April each year. Alternative schemes can be considered for future years, including those options discussed in section 8. Any proposed changes to the scheme must be fully consulted including with the Council Tax preceptors.

Deputy Chief Executive, Bindu Arjoon

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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