

Report of	Record of	Date
Leader and Cabinet Member (Strategy and Reform)	Executive Member Decision	Wednesday, 17 November 2021

Is this report confidential?	No
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Is this decision key?	No
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## Review of Council Tax Support Scheme

### Purpose of the Report

1. To outline proposals to change the Council Tax Support Scheme from 1 April 2022.
2. To gain approval to consult on proposed changes to the scheme.

### Recommendations

3. To approve, in principle, proposed changes to the Council Tax Support Scheme from 1 April 2022, subject to the outcome of a consultation exercise.
4. To approve consultation on proposed changes to the scheme as outlined within this report.

### Reasons for recommendations

5. The proposed changes will make the Council Tax Support Scheme more generous to further help more vulnerable residents.
6. Administrative changes to the scheme will also make the application process simpler and improve the service to the customer.
7. Consulting with the public will inform the next stage of the process.

### Other options considered and rejected

8. None.

### Corporate outcomes

9. The report relates to the following corporate priorities: *(tick all those applicable)*:

An exemplary council		Thriving communities	✓
A fair local economy that works for everyone		Good homes, green spaces, healthy places	

## **Background**

10. Council Tax Support is a means tested assessment with the amount of support awarded dependent on the household's Council Tax liability, income, savings, and needs.
11. Since 2013 local authorities have been required to adopt their own local Council Tax Support Scheme for working age claimants.
12. Prescribed regulations apply to claimants who have reached state pension age and so they are not within the scope of this review.
13. The Council Tax Support Scheme was last reviewed at South Ribble in 2020/21.
14. This decision is only seeking approval to commence consultation on proposed changes to the Council Tax Support Scheme from 1 April 2022.
15. The consultation responses will be reported to Cabinet in January 2022 alongside recommendations to change the scheme from 1 April 2022.

## **Current Position**

16. Under the council's current scheme, working age claimants in receipt of a passported benefit, and certain groups claiming Universal Credit receive full council tax support meaning they have no council tax to pay.
17. However, the following groups of qualifying working age claimants pay at least £3.50 a week, those in receipt of:
  - Universal Credit and some level of earnings or non-disregarded other income
  - Other low-income groups not receiving Universal Credit nor a passported benefit
18. Under Chorley's scheme these two groups can receive full council tax support depending upon their circumstances.
19. The purpose of this review is to consider making South Ribble's scheme more generous to further help more vulnerable residents.
20. The review also provides an opportunity to remove complexities within the current schemes to maximise automation and simplify administration. There is no requirement to consult on this type of change and these will be dealt with by an Executive Member decision.
21. These administrative changes will make the application process simpler and improve the service to the customer.

## **Proposed scheme**

22. The table below outlines the proposed inclusions to the scheme:

		<b>Implications</b>	<b>Next step</b>
a.	Remove the £3.50 minimum charge for non-passported working age claimants.	Financial	Consultation
b.	A claim for Universal Credit to be treated as a claim for Council Tax Support by the Local Authority	Automation	EMD

23. Removing the £3.50 minimum charge for non-passported working age claimants will have financial implications. The second proposal will allow an improvement in processing by increasing automation.

24. The proposals outlined at 11.a. will make the scheme more generous for some South Ribble households by removing the baseline charge of £3.50 per week for working age claimants in receipt of:

- Universal Credit and some level of earnings or non-disregarded other income such as a private pension or Carer's Allowance
- Other low-income groups not receiving Universal Credit nor a passported benefit

25. It is estimated that more than 1,330 South Ribble residents will benefit financially.

26. Recovering Council Tax payable by this group can be challenging and resource intensive. The changes to the scheme free up resources to focus on supporting other customers in need.

27. The changes will achieve efficiencies through automation, simplified processes, and operational consistency.

### **Budget implications**

28. The revenue from Council Tax charged is shared between the precepting authorities as follows:

South Ribble Borough Council	11%
Lancashire County Council	74%
Police & Crime Commissioner for Lancashire	11%
Lancashire Combined Fire Authority	4%

29. The financial implications on preceptors of the proposed changes are shown below:

South Ribble Borough Council	£26,647
Lancashire County Council	£179,259
Police & Crime Commissioner for Lancashire	£26,647
Lancashire Combined Fire Authority	£9,689
<b>Total</b>	<b>£242,242</b>

## Consultation

30. The consultation will run from November 2021 for a period of up to six weeks until 3 January 2022.
31. The consultation responses will be reported to Cabinet in January 2022 alongside recommendations to change the scheme from 1 April 2022.
32. Public consultation will be online with direct invitations to take part sent by email to the following groups:
  - a. A sample of Council Tax payers, both in receipt of Council Tax Support and not
  - b. Lancashire County Council
  - c. Lancashire Constabulary
  - d. Lancashire Fire and Rescue Service
  - e. Citizens Advice Bureau
  - f. Councillors
  - g. Parish Councils
  - h. Money Advice Trust
33. An online survey will also be open to residents through the council's website throughout the consultation period.

## Risks

34. The proposal outlined at 11.a., by making the scheme more generous, may discourage existing claimants from seeking better employment opportunities

## Climate change and air quality

35. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

## Equality and diversity

36. An Equality Impact Assessment will be completed before the proposed changes to the scheme are presented to Cabinet to analyse the impact of these proposals on different community groups, and how the needs of such groups have been considered in developing the proposals.

## Comments of the Statutory Finance Officer

37. As noted in point 29 above, the proposed changes would reduce the amount of council tax due to the council by £26,647.


## Comments of the Monitoring Officer

38. The proposal is compliant with the Council's obligations under the legislation and the proposed consultation will ensure that the decision of the council will be properly informed.

Report Author:	Email:	Telephone:	Date:
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Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained within this report in accordance with my delegated power to make executive decisions.

Signed:	
	Councillor Paul Foster Leader of the Council Cabinet Member (Strategy and Reform)
Date:	17/11/2021
Publication Date (DSO use only):	17/11/2021

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.