|  |  |
| --- | --- |
| Is this report confidential? | No |

|  |  |  |
| --- | --- | --- |
| **Report of** | **Meeting** | **Date** |
| Director of Customer and Digital (Introduced by Cabinet Member (Communities, Social Justice and Wealth Building)) | Cabinet  Full Council | 9 February 2022  23 February 2022 |

****

|  |  |
| --- | --- |
| Is this decision key? | Yes |

|  |  |
| --- | --- |
| Savings or expenditure amounting to greater than £100,000 | **Significant impact on 2 or more council wards** |

**Review of Council Tax Support Scheme 2022/23**

**Purpose of the Report**

1. To set out proposals to change the South Ribble Council Tax Support Scheme from 1 April 2022.

**Recommendations to Cabinet**

1. Cabinet is recommended to approve the following revisions to the Council Tax Support Scheme for submission to Council:
2. Removal of the baseline Council Tax 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
* Other low-income groups not receiving Universal Credit nor a passported benefit

1. The revised scheme is approved with effect from 1 April 2022.

## Recommendations to Council

1. Council is recommended to approve the following revisions to the Council Tax Support Scheme:
2. Removal of the baseline Council Tax 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
* Other low-income groups not receiving Universal Credit nor a passported benefit

1. The revised scheme is approved with effect from 1 April 2022.

## Reasons for recommendations

1. The revised scheme is fairer and simpler for residents, it is also more focused to support the households most in need.

## Other options considered and rejected

1. None.

## Corporate priorities

1. The report relates to the following corporate priorities: (please bold all those applicable):

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

## Background to the report

1. 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.
2. Since 2013 local authorities have been required to adopt their own local Council Tax Support Scheme for working age claimants.
3. Prescribed regulations apply to claimants who have reached state pension age, so they are not within the scope of this review.
4. The Council Tax Support Scheme was last reviewed at South Ribble in 2020/21.
5. Under the council’s current Council Tax Support 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.
6. However, other groups of qualifying working age claimants pay a Council Tax charge of at least £3.50 per week.
7. Having consulted on the scheme, the proposal is to make the scheme fairer and simpler for residents, and more focused to support the households most in need. This compliments the findings from the Scrutiny Review of Health Inequalities by demonstrating the Council’s continued commitment to supporting the most vulnerable households and taking steps to improve the mental health and wellbeing of residents.
8. The proposed scheme has no adverse impact on administration, the changes simplify the scheme, and will also improve the customer experience.
9. Consultation with precepting authorities on proposed changes to the scheme is statutory.
10. The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 require that any revisions to the scheme are approved by Full Council by 11 March.

**Proposed Council Tax Support Scheme**

1. Specifically, it is proposed that the £3.50 per week baseline Council Tax charge for the following groups of working age claimants is removed:

a. Universal Credit and some level of earnings or non-disregarded other income such as a private pension or Carer’s Allowance

b. Other low-income groups not receiving Universal Credit nor a passported benefit

1. It is estimated that more than 1,330 South Ribble residents will benefit financially from this proposal from 1 April 2022.
2. More than 240 of these residents have unpaid Council Tax, with over £253,285 accumulating since welfare reform changes were introduced in 2013.

**Budget implications**

1. 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% |

1. The financial implications on preceptors of the proposed change are shown below:

|  |  |
| --- | --- |
| South Ribble Borough Council | £26,646 |
| Lancashire County Council | £179,259 |
| Police & Crime Commissioner for Lancashire | £26,646 |
| Lancashire Combined Fire Authority | £9,689 |
| **Total** | **£242,242** |

**Consultation**

1. Consultation with precepting authorities on proposed changes to the scheme is statutory.
2. Although consultation is not required with any other stakeholders, direct invitations to comment on the proposals were sent to the following:
3. A sample of 5,000 Council Tax payers, in receipt of Council Tax Support and not
4. Lancashire County Council
5. Lancashire Fire and Rescue Service
6. Police & Crime Commissioner for Lancashire
7. Citizens Advice Bureau
8. Councillors
9. Money Advice Trust
10. Parish Councils
11. In addition, an online survey was open to residents through the council’s website from 24 November 2021 until 3 January 2022.
12. The consultation responses are summarised below:

|  |  |  |
| --- | --- | --- |
| **Please indicate below you agree or disagree that South Ribble Borough Council should remove the £3.50 minimum weekly charge for non-passported working age claimants from 1 April 2022** | | |
| **Response** | **Number** | **%** |
| Agree | 39 | 23% |
| Strongly Agree | 32 | 19% |
| Disagree | 21 | 12% |
| Strongly Disagree | 54 | 32% |
| Neither Agree nor Disagree | 20 | 12% |
| Don’t know | 4 | 2% |
| **Total** | **170** | 100% |

1. The low number of consultation responses is disproportionate to the number of South Ribble Council Tax payers, and represents less than 1% of households in the borough.
2. 42% of respondents agreed or strongly agreed with the proposed change whilst 44% disagreed or strongly disagreed.
3. The Citizens Advice Bureau responded strongly agreeing with the proposals to revise the scheme, acknowledging that the change will help vulnerable residents to manage their bills better and stop them falling into debt.
4. Email responses were also received from Lancashire County Council and Lancashire Fire and Rescue Service. Whilst both preceptors were unable to support the proposals due to the reduction in Council Tax revenue, they did acknowledge:

a. the extra support residents on a low income would receive

b. the council’s desire to reduce the burden on relevant individuals

1. Lancashire County Council also expressed concerns that if all district councils replicated this proposal the sum of losses to the county council would be several million pounds.
2. No response was received from the Police & Crime Commissioner for Lancashire.

**Climate change and air quality**

1. 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

1. An Equality Impact Assessment has been completed to analyse the impact on different community groups, and how their needs have been considered in developing these proposals. This analysis confirms the proposed change to the scheme will have a positive impact on affected groups, which include working age and disabled residents.

## Risk

1. The key risk is financial, but the costs are shared with the precepting authorities.

## Comments of the Statutory Finance Officer

1. As outlined in the report at point 18 and 19 above, with an 11% share of Council Tax revenue, the proposed change would result in an estimated cost to the council of £26.6k. The change is however expected to realise efficiencies in providing opportunities to remove complexities within the current scheme to maximise automation, simplify administration and improve the service to the customer.

## Comments of the Monitoring Officer

1. The agreement of this scheme is at the discretion of the Council. Appropriate information has been included to assess the financial and wider socio-economic impacts of the recommendation. Value for money can be demonstrated through the benefits to economically vulnerable residents.

**There are no background papers to this report.**

|  |  |  |  |
| --- | --- | --- | --- |
| Report Author: | Email: | Telephone: | Date: |
| Asim Khan | asim.khan@southribble.gov.uk | 01772 625625 | 31/1/22 |