

**URN:** 22-033

**Subject:** Council Tax Support Scheme 2023/24

**Report to:** Policy & Resources Committee 1st November 2022  
Council 15th December 2022

**Report by:** Miranda Lee, Head of Customer Services

#### **SUBJECT MATTER**

This report seeks Council approval of the Local Council Tax Support Scheme for 2023/24

#### **RECOMMENDATION**

That the Committee endorse the recommendation:

- 1) Agree to continue with the existing scheme for 2023/24 - a maximum award of 91.5% of the Council Tax Liability for Working Age

### **1. Introduction**

- 1.1 The Committee Report of the 12<sup>th</sup> July 2022 requested permission to commence consultation in relation to the 2023/24 Local Council Tax Support Scheme.
- 1.2 In April 2013 Council Tax Benefit was replaced with a new Local Council Tax Support Scheme. This followed the Government announcement in the Spending Review 2010 that financial support for council tax would be localised.
- 1.3 Initially the amount of funding provided to local authorities to run the scheme was approximately 10% less than what was previously spent on the council tax benefit scheme. For the first 2 years funding had been specifically ring-fenced for allocation towards the scheme.
- 1.4 In 2014, the Government announced that future funding towards the Council Tax Support Scheme would be included within the overall Revenue Support Grant and would not be separately identified or ring-fenced from within the grant.
- 1.5 In designing a local scheme for 2023/24 the council must consider:
  - The amount of funding the Council decides to allocate towards the scheme
  - Support for pensioners must be protected and would not be affected by the local scheme meaning that the rules around a localised scheme would only apply to those of working age

## **2. Current Position**

- 2.1. Consultation in relation to the 2023 scheme has now closed with only 9 individual responders taking part in the survey.
- 2.2. As in previous years the consultation was available through the council's website. Consultation was based on retaining the existing scheme for 2023/24 for all working age with pensioners being protected.
- 2.3. The consultation ran for a 12-week period. Due to the lack of response the results of the consultation are negligible in helping to determine the scheme, however, out of the responses received most favoured retaining the existing scheme for a further year. The results of the consultation are contained within Appendix 1.

### **Options Considered for the 2023/24 Scheme**

- 3.1 This proposal is to continue with the existing overall scheme subject to including any relevant minor adjustments to the scheme to keep the scheme up to date and aligned to other welfare benefits/financial assistance should changes in legislation come into force.
- 3.2 Appendix 2 provides a summary of current Council Tax Support Schemes for local authorities across Norfolk.

## **4. Requirement for Change**

- 4.1 Schedule 1A of the Local Government Finance Act 1992 states:
  1. For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme: and
  2. the authority must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 4.2 As each Local Authority decides their local scheme it is possible that other nearby Local Authorities can have different types of schemes with varying financial implications for customers.

## **5. Financial Implications**

- 5.1. Initially an element of Government funding for Local Authorities to administer their local schemes was funded from within the Revenue Support Grant (RSG). Since 2015, this amount has not been separately identifiable from overall grants received. Following the Autumn Budget and Spending Review summary in October 21, there is still a significant degree of uncertainty around Local Government finances and funding arrangements for 2023/24.
- 5.2. As Council Tax Support is a discount it reduces the Councils tax base, along with a reduction in the tax base for Norfolk County Council and the Norfolk Police & Crime Commissioner.
- 5.3. For illustrative purposes the following gives the financial breakdown of the cost for the recommended scheme.

**Table 1**

Estimated cost of scheme	<b>£9,941,341</b>
Precept Split	
Norfolk County Council	£7,533,704.29
Police	£1,430,308.74
GYBC	£876,461.41
Parish	£100,866.56

## 6. Risk Implications

### The cost of the scheme

- 6.1 Whilst we can predict anticipated costs of the scheme for 2023/24 based on continuing with the existing scheme for 2022/23, any increases in demand, changes in composition of current caseload or unforeseen changes to other welfare benefits during the year could represent a financial risk by increasing the cost of the overall scheme. Ongoing uncertainty of financial effects on residents through the current cost of living issues could also increase the demand on this scheme.

### Council Tax Collection

- 6.2 Collection rates of council tax have been impacted with the introduction of the localised scheme but not as much as first anticipated. The tax base has been calculated to take into consideration the costs of the Council Tax Support Scheme with some provision for impact on collection rates. Ongoing uncertainty of financial effects on residents through the current cost of living issues could continue to impact collection.

## 7. Recommendation

- 7.1. To continue with the existing scheme for 2023/24 - a maximum award of 91.5% of the Council Tax Liability for Working Age.



*Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?*

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	Yes as part of ELT
Section 151 Officer Consultation:	Yes as part of ELT
Existing Council Policies:	S13a Council Tax Support Scheme
Financial Implications (including VAT and tax):	Yes, as outlined
Legal Implications (including human rights):	Schedule 1A and 2 Local Government Finance Act 1992




Risk Implications:	Yes, as outlined
Equality Issues/EQIA assessment:	Yes
Crime & Disorder:	
Every Child Matters:	




# Council Tax Support 2023/24

## 1. Council Tax Support Consultation Introduction



1. Have you read the background information about the Council Tax Reduction Scheme?				
Answer Choices			Response Percent	Response Total
1	Yes		77.78%	7
2	No		22.22%	2
			answered	9
			skipped	0

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2. We are considering retaining the current Council Tax Support Scheme for next year. The current scheme limits the maximum amount of Council Tax Support to 91.5% of the Council Tax liability for working age customers. The benefit of this is: There would be no major changes to the level of Council Tax Support a customer would receive. Do you think the Council should retain the current scheme for 2023?				
Answer Choices			Response Percent	Response Total
1	Yes		44.44%	4
2	No		11.11%	1
3	Don't know		44.44%	4
			answered	9
			skipped	0

3. We are considering an income tolerance of the net income received from a Universal Credit Award. The benefit of this is: This will reduce the number of monthly changes to Council Tax instalments therefore providing consistent payment plans and help to prevent residents falling in arrears. Do you think the council should adopt this change?				
Answer Choices			Response Percent	Response Total
1	Yes		77.78%	7
2	No		11.11%	1
3	Don't know		11.11%	1
			answered	9
			skipped	0





#### 4. Are there any further changes to the scheme you think that we should consider?

Answer Choices			Response Percent	Response Total
1	Yes		33.33%	3
2	No		66.67%	6
			answered	9
			skipped	0
Comments: (4)				
1	11/08/2022 03:02 AM ID: 197369666	Include working families on the scheme, people on benefits receive more help than those working to pay their council tax bills!		
2	15/08/2022 12:31 PM ID: 197580069	this is very complicated for the public to make an informed decision on, there is not enough background info.		
3	20/09/2022 19:39 PM ID: 199729101	For people who do past time, should be considered.		
4	21/09/2022 11:57 AM ID: 199789360	Consider council tax benefit reduction for those under occupying homes at pension or working age.		

#### 5. Are you, or someone in your household, getting Council Tax Support at this time?

Answer Choices			Response Percent	Response Total
1	Yes		0.00%	0
2	No		88.89%	8
3	Don't know		11.11%	1
			answered	9
			skipped	0

#### 6. What is your age group?

Answer Choices			Response Percent	Response Total
1	under 18		0.00%	0
2	18-24		11.11%	1
3	25-34		22.22%	2
4	35-54		55.56%	5
5	55+		11.11%	1
			answered	9

6. What is your age group?

skipped

0

Appendix 2 – Norfolk LA Schemes

<b>LA</b>	<b>Max Award of Liability</b>	<b>Savings Limit</b>	<b>Non- dependant deductions</b>	<b>Support restricted to Council Tax band limit?</b>	<b>Changes to backdating rules?</b>	<b>Changes to conditions around starting work?</b>
<b>Great Yarmouth</b>	91.5%	£16,000	£5 flat rate reduction (exemptions apply)	No	No – Scheme has discretion	No
<b>ARP (Breckland)</b>	91.5%	£10,000	Various rates based on income	No	No	No
<b>Broadland</b>	84% (100% if in receipt of war pension)	£16,000	£5 flat rate reduction (exemptions apply)	No	1 month	No
<b>North Norfolk</b>	91.5%	£16,000	Various rates based on income	No	1 month	No
<b>Norwich</b>	00%,	£16,000	Various rates based on income	No	2 months	No
<b>South Norfolk</b>	84% (100% if in receipt of war pension)	£16,000	£5 flat rate reduction (exemptions apply)	No	1 month	No
<b>Kings Lynn</b>	85%	£6,000	£10 flat rate reduction	No	1 month	No