

Report of	Assistant Director - Customer	Author	Jason Granger ☎ 508824
Title	Local Council Tax Support Scheme 2021 - 2022		
Wards affected	All Wards		

1. Executive Summary

- 1.1 Colchester Borough Council's Local Council Tax Support scheme provides a reduction in Council Tax Liability for eligible residents.
- 1.2 Each year the scheme is reviewed, and proposals are formulated to potentially update the scheme or to maintain the scheme in its existing form.
- 1.3 This report provides details of the proposal for the scheme effective from 1 April 2021.

2. Recommended Decision

- 2.1 It is recommended that current working age entitlement is maintained for the fiscal year effective from 1 April 2021. The only amendments from the current scheme being the prescribed regulations and mandated national legislative amendments.
- 2.2 Cabinet refers the Local Council Tax Support Scheme, as described in 2.1, onto full Council for approval and adoption.

3. Reason for Recommended Decision

- 3.1 Legislation requires that the scheme, effective from 1 April 2021, is agreed by March 2021.

4. Alternative Options

- 4.1 Changes could be made to the scheme. However, stability to the scheme is being recommended as this will provide residents with support and consistency within the context of the Covid-19 pandemic and the resultant financial instability.

5. Background Information

- 5.1 Colchester Borough Council's Local Council Tax Support scheme provides a reduction in Council Tax Liability for eligible residents. Each year the scheme is reviewed ready for 1 April. Local Council Tax Support currently helps 9,300 residents reduce their Council Tax bill – 3,500 of state pension age and 5,800 working age residents. The value of Local Council Tax Support being granted in 2020/21 is currently £8.6 million. National regulations still require local schemes to 'protect' those residents of state pension credit age from any reduction to their level of support as a result of the localisation of the scheme.
- 5.2 Local Council Tax Support entitlement in Essex, for those of working age, still overwhelmingly follows means-tested principles, based broadly on Housing Benefit legislation. Of the 14 Essex Authorities only one has a minimum contribution lower than 20%.

6. Equality, Diversity and Human Rights implications

- 6.1 No changes are being proposed to the current scheme other than prescribed and mandated national legislative amendments. Therefore, the Equality Impact Assessment has not been revised.

7. Strategic Plan References

- 7.1 The Council's Strategic Plan sets out 15 priorities, one of which being:

'Tackle the causes of inequality and support our most vulnerable people'
- 7.2 Precepting authorities contributed additional funding to assist with the collection of Council Tax, recognising the additional number of residents we had to collect from and the potential difficulties we would experience collecting from residents who have either not previously paid Council Tax or who are paying an increased amount. This additional money has helped fund a proactive intervention programme which provides a range of services including flexible payment plans, debt and back to work advice as well as administration of an Exceptional Hardship fund.

8. Consultation

- 8.1 It is recommended that the current scheme is maintained therefore a consultation is not required.

9. Publicity Considerations

- 9.1 Local Council Tax Support is publicised via our website and we continue to provide information within our annual Council Tax bills and other mailings.

10. Financial implications

- 10.1 There is no specific funding for the Local Council Tax Support scheme. The costs depend upon the number of eligible applicants. The cost of the scheme is shared between the preceptors.

- 10.2 The medium-term financial forecast assumes an increase in Council Tax in 2021/22 and a significant rise in applications, because of the pandemic induced economic crisis. These factors have been budgeted accordingly, as below:

Scheme Cost

	Total Local Council Tax Support costs (£'000)	Colchester Borough Council share (£'000)
2020/21 – current	8,600	1,075
2021/22 – 25% rise	10,400	1,300

11. Health, Wellbeing and Community Safety Implications

- 11.1 The proposals contain provision for dealing with welfare concerns of residents, particularly vulnerable people and the support is intended to limit hardship.

12. Health and Safety Implications

- 12.1 There are no health and safety implications.

13. Risk Management Implications

- 13.1 Fundamental changes to the current criteria could potentially affect the collection fund position, especially in consideration of the current Covid-19 pandemic.
- 13.2 The absence of an adopted Local Council Tax Support Scheme for 2021/22 could lead to introduction of a prescribed default scheme which broadly represents the former Council Tax Benefit scheme with an additional funding requirement.

14. Environmental and Sustainability Implications

- 14.1 There are no environmental and sustainability implications.

Background Papers

- Draft Local Council Tax Support policy document 2021 – 2022.