

12 October 2021

Report of	Assistant Director - Customer	Author	Jason Granger ☎ 508824
Title	Local Council Tax Support Scheme 2022 - 2023		
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 2022.

2. Action Required

- 2.1 The panel is invited to review and comment on the proposed Local Council Tax Support scheme commencing 1 April 2022.
- 2.2 Such review and comment will be considered ahead of the Cabinet meeting of 17 November 2021 and the Full Council meeting of 2 December 2021 where approval of the scheme will be requested.

3. Reason for Scrutiny

- 3.1 It is recommended that current working age entitlement is maintained for the fiscal year effective 1 April 2022 to maximise ongoing support for residents in the context of the Covid-19 pandemic.
- 3.2 The only changes from the current scheme are the prescribed regulation changes and mandated national legislative uprating.

4. Background Information

- 4.1 Local Council Tax Support currently helps 9,500 residents reduce their Council Tax bill – 3,400 of state pension age and 6,100 working age residents. The value of Local Council Tax Support being granted in 2021/2022 is currently £8.9 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.
- 4.2 Local Council Tax Support entitlement in Essex, for those of working age, still overwhelmingly follows means-tested principles, based broadly on Housing Benefit legislation.
- 4.3 Stability to the scheme is being recommended. This will provide residents with support and consistency within the context of the Covid-19 pandemic and the resultant financial instability.

5. Equality, Diversity and Human Rights implications

- 5.1 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.

6. Strategic Plan References

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

‘Tackle the causes of inequality and support our most vulnerable people’
- 6.2 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.

7. Consultation

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

8. Publicity Considerations

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

9. Financial implications

- 9.1 There is no specific government 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 in proportion to the precept levied.

- 9.2 The medium-term financial forecast on this Cabinet agenda assumes a £5 increase in the district Council Tax in 2022/2023. It is currently assumed there is a 12.5% increase in local council tax support take-up compared to pre-Covid levels. The 12.5% increase versus pre-Covid levels was already assumed in 2021/22 budget setting. The position will be reviewed in the Budget Report to 26 January 2022 Cabinet. Any decrease in support may impact on collection of the discounted liability. An increase in discount would have a significant impact on County Council resources.

Scheme Cost

	Total Local Council Tax Support costs (£'000)	Colchester Borough Council share (£'000)
Current Medium Term Financial Forecast Assumption	8,940	964

10. Health, Wellbeing and Community Safety Implications

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

11. Health and Safety Implications

- 11.1 There are no health and safety implications.

12. Risk Management Implications

- 12.1 Fundamental changes to the current criteria could potentially affect the collection fund position, especially in consideration of the current Covid-19 pandemic.
- 12.2 The absence of an adopted Local Council Tax Support Scheme for 2022/2023 could lead to introduction of a prescribed default scheme which broadly represents the former Council Tax Benefit scheme with an additional funding requirement.

13. Environmental and Sustainability Implications

- 13.1 There are no environmental and sustainability implications.

14. Appendix

Appendix 1. Draft Local Council Tax Support policy document 2022 – 2023.