

Cabinet

17 November 2021

Item

Report of	Assistant Director - Customer	Author	Jason Granger ☎ 07889445614
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. Recommended Decision

- 2.1 It is recommended that current working age entitlement is maintained for the fiscal year effective from 1 April 2022. 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 2022, is agreed by March 2022.

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 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.
- 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, minimum levels of contribution vary between authorities. Officers regularly liaise with colleagues throughout Essex for their views on scheme changes, benchmarking and to share best practice. Currently there appears to be limited change to scheme design planned for 2022/23 within districts in Essex.

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 The medium-term financial forecast 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

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 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.

14. Environmental and Sustainability Implications

- 14.1 There are no environmental and sustainability implications.

Background Papers

- [Draft Local Council Tax Support policy document 2022 – 2023.](#)