

Report to:	EXECUTIVE CABINET
Date:	24 August 2022
Executive Member:	Cllr Jacqueline North – First Deputy (Finance, Resources and Transformation).
Reporting Officer:	Ilys Cookson – Assistant Director of Exchequer Services
Subject:	COUNCIL TAX SUPPORT SCHEME 2023-2024
Report Summary:	This report details the procedural requirement in deciding if changes are required to the Council Tax Support scheme (CTS). If any changes are required then consultation must take place for the scheme to become effective from April 2023. The scheme cost, claimant numbers, support and the equality impact assessment are also considered.
Recommendations:	<p>That Executive Cabinet be recommended to agree that the Council Tax Support scheme for 2023/24 in principle remains the same scheme as that set effective from April 2022, subject to:</p> <ul style="list-style-type: none"> (i) annual benefit uprating as detailed in the scheme (ii) further guidance which may be issued by Department of Levelling Up, Housing and Communities (formerly MHCLG) (iii) proposal to consider the Universal Credit notifications from the Department of Work and Pensions (DWP) as the Council Tax Support claim form for Universal Credit claimants.
Corporate Plan:	The Council Tax Support (CTS) scheme assists the most financially vulnerable in the Borough by providing means tested financial support towards Council Tax costs.
Policy Implications:	The local scheme is set in accordance with DLUHC (formerly MHCLG) guidelines.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Council Tax Support Scheme is a cost to the Council in the sense that it reduces the amount of Council Tax that can be collected. For 2021/22, the 'cost' of the scheme, in terms of revenue foregone, was approximately £15.4m, compared to £14.7m in 2020/21. The cost of the scheme for 2022/23 is expected to increase to approximately £15.9m. If Council Tax rates increase in 2023/24 then the cost of the scheme will again increase, in line with the increase in Council Tax. The revenue forgone as a result of the scheme is factored into the Council Tax base and Council Tax setting as part of the annual budget process.</p> <p>The increase in the cost of the scheme over the last few years is in part due to increases in Council Tax payable, but during 2020 and 2021 this was also due to a significant increase in the number of Council Tax Support Claimants. This increase in claimant numbers was attributed to the economic impact of the COVID-19 pandemic and numbers did reduce in the latter half of the 2021/22 financial year. It is possible that the number of Council Tax Support Claimants will increase again over the coming months if economic conditions and employment levels deteriorate.</p> <p>No changes are proposed to either the Council Tax Support Scheme or the Hardship Fund for 2023/24. If the Council chose to adopt the</p>

default scheme, rather than a local scheme, the 'cost' to the Council is estimated to be significantly greater than the cost of the local scheme. The Council could chose to adopt a less generous local scheme however any reduction in the level of support provided is expected to increase levels of uncollected Council Tax as those claimants in receipt of Council Tax Support are often the most economically vulnerable

**Legal Implications:
(Authorised by the
Borough Solicitor)**

The legal implications are set out in the main body of the report.

Risk Management:

Risks are set out in Section 6 of this report

Background Information:

The background papers relating to this report can be inspected by contacting Ilys Cookson – Assistant Director of Exchequer Services



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1. INTRODUCTION

- 1.1 The Welfare Reform Act 2012 contained provision to abolish Council Tax Benefit. The Government replaced it with a power for each local authority to have its own locally set council tax reduction scheme. The necessary primary legislation is included in the Local Government Finance Act, passed on 31 October 2012, which contained provision that Councils wishing to implement a local scheme must have the scheme approved by 31 January each year, which was later revised in 2016 to have the scheme approved by 11 March each year.
- 1.2 The local scheme was funded in the first year by way of a fixed grant, which the government determined as being 90% of the 2011/12 outturn for Council Tax Benefit expenditure. In real terms this reduction in funding equated to 17.3% for Tameside for 2013/14 and a local Council Tax Support (CTS) scheme was set taking into account the costing envelope available.
- 1.3 Tameside's own local CTS scheme was set at the Council meeting on 21 December 2012. The scheme was adopted using the Universal Credit Regulations 2013, on which the principals of the CTS scheme were based.
- 1.4 The 2013/14 CTS scheme, which had been in place since 01 April 2013, was revised after consultation had been carried out with the public in 2015. The following elements were introduced to the scheme from 01 April 2016:
 - Capping support to a Band A property.
 - Reduce the maximum CTS award to 75%.
 - Align deductions for non-dependents of working age to the same level as those in the prescribed scheme for claimants of pensionable age.
 - Non-dependent deductions are disregarded for CTS claimants in receipt of a Staying Put payment.
- 1.5 A further revision took place effective from April 2018 after consultation had been carried out in 2018 and the following elements were introduced:
 - Award a two week run on for claimants moving from benefit to work
 - Apply an earnings disregard to self-employed working age claimants
- 1.6 In consideration of setting the local CTS scheme for 2023/2024 this reports sets out:
 - What the Council is required to do
 - The CTS scheme in operation

2. PROCEDURAL REQUIREMENTS

- 2.1 The procedural requirements are contained in the Local Government Finance Act 2012 as amended and the Council must adhere to a number of procedural requirements, when setting a CTS scheme which are detailed below:
 - Set a CTS scheme no later than 11 March before the start of the financial year to which the scheme applies.
 - Adopt the prescribed requirements, which must apply to all schemes, which includes local schemes, the prescribed scheme for persons of state pension credit age and default schemes (the same as the previous council tax benefit scheme).
 - Ensure that claimants of state pension credit age continue to receive the same support under the scheme as they received in council tax benefit.
 - Consider the statutory public sector equality duty in adopting a scheme and the child poverty strategy.
 - Consult all major precepting authorities.
 - Consult generally on changes to the scheme.

- 2.2 Paragraph 5(1) of Schedule 1A to the 1992 Act states that;
'For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.'
- 2.3 The purpose of this report is therefore to consider the following:
- That the current CTS scheme remains in place in 2023/2024 or;
 - That the current CTS scheme is revised for 2023/2024.
- 2.4 Where a CTS scheme is to be revised then legislation is clear on the requirements to consult the public and precepting bodies prior to any changes to the scheme. Full consultation has taken place prior to previous revisions to the scheme. Any changes to the CTS scheme for any future years are subject to a decision by Full Council.
- 2.5 In considering whether there should be revisions to the current scheme, the current operation and costs of the scheme should be considered, in addition to any guidance released by central government or by direction of the Valuation Tribunal Service, which consider appeals for local CTS schemes. In setting the scheme for 2023/2024 consideration has been given to the cost of living economic situation and its potential effects on caseload.

3. CURRENT OPERATION AND COSTS

- 3.1 Claimant caseload fluctuates on a daily basis and overall there has been a downward trend on claimant numbers from 01 April 2013, however 2020 saw an increase in claimant numbers attributed to the COVID 19 pandemic. Claimants experienced reduced working hours, furlough and in some cases loss of employment.

3.2 Table 1 Scheme costs and number of CTS claimants by year

Year	Scheme Costs £m	Total claimants
April 2013	£16.6m	23,716
April 2014	£15.94m	23,231
April 2015	£14.9m	22,029
April 2016	£14.3m	20,889
April 2017	£13.7m	20,087
April 2018	£13.7m	19,636
April 2019	£14.3m	18,635
April 2020	£13.95m	17,922
April 2021	£14.7m	18,208
April 2022	£14.9m	17,466

- 3.3 The current claimant profile information is detailed at **Appendix 1**.
- 3.4 The actual scheme costs had reduced year on year up to April 2019, however any increase in Council Tax including the mayoral precept and the adult social care precept increases the costs of the scheme. The higher the Council Tax charge, the more the CTS scheme will cost, unless claimant numbers fall significantly. The Council Tax charge has increased each year and from 2016/17 included an adult social care precept, and mayoral precept from 2018/19.
- 3.5 Scheme costs, claimant numbers and equalities data is monitored every quarter. This regular monitoring has highlighted an increase in claimant numbers and costs, from June 2020 which is clearly attributable to COVID, and claimant numbers remained high at the beginning of 2021 and then fell steadily throughout the year. The scheme continues to operate as expected.
- 3.6 **Support Available:** Support continues to be available to all CTS claimants in respect of

Hardship Relief and the Discretionary Hardship Policy, advice and assistance.

Hardship relief: Support continues to be available to CTS claimants experiencing financial hardship as a result of the CTS scheme. The purpose of the Hardship Fund is to mitigate the potential risk that some claimants may, in exceptional circumstances, suffer severe financial hardship as a result of the scheme or changes to the scheme and may apply for additional monies to help pay their Council Tax. This relief is an integral part of any local scheme in accordance with government scheme guidance, and where hardship payments are made these are paid under Section 13A (1) (C) of the Local Government Finance Act 1992.

- 3.7 The Hardship Fund totals £50k in 2023/2024 as in previous years. Hardship funding is identified from existing budgets and is administered by the service on a case by case basis; however, this amount does not exclude approved applications being granted should the maximum allocated funding being exceeded.
- 3.8 **Discretionary Hardship Policy:** The Council Tax Service currently has a Discretionary Hardship Policy (Section 13A Policy) as detailed on the Councils website [Section-13A-Policy.pdf \(tameside.gov.uk\)](https://www.tameside.gov.uk/section-13a-policy) that must be in place in accordance with government guidance to support local Council Tax Support schemes. The Council's existing Hardship Policy could be used as a basis to award monies from the remaining monies in the hardship fund. Section 13A awards are managed by the Council Tax Service which holds all Council Tax liability records and Council Tax Support records, and is therefore well placed to determine eligibility based on financial information held.
- 3.9 **Additional support:** Residents may also obtain advice and assistance on the Hardship Fund and CTS scheme from the Council's Benefits Service, Citizens Advice Bureau, Tameside Welfare Rights Service and other local advice services such as MiNT.
- 3.10 All claimants have to pay at least 25% of their Council Tax liability. The Council continues to face significant financial challenges in how much the Council has to spend on services. Cuts in funding from government have a significant impact on how much the Council has to spend as government funding provides the greater proportion of the Council's finance and the money raised from Council Tax paid by local residents make up only one third of the Council's funding.
- 3.11 The government provided additional monies in 2020 and 2021 for CTS claimants as a direct response to the COVID pandemic whereby Council Tax liability was reduced by £150 for the 2020/2021 and 2021/2022 financial year with remaining monies supporting Council Tax payers suffering hardship. This funding supported almost 13,000 eligible CTS claimants each year, however no similar funding has been made available from central government for CTS claimants in the current financial year.
- 3.12 Central government have awarded all households in Council Tax property bands A – D a £150 energy bill rebate. A discretionary top up payment of £25.00 will also be awarded to all recipients of CTS in accordance with government guidance and funding provided for this purpose. The payment will not automatically reduce the amount of Council Tax outstanding as the primary purpose of the payment is to support rising energy bills and not reduce Council Tax liabilities.
- 3.13 It is clear given the financial challenges we face that a local CTS scheme must be set taking into account the Councils finances as any increase in costs of the CTS scheme is borne by Council Tax payers.

4 FACTORS TO BE CONSIDERED

- 4.1 Current costs, current caseload, external influences such as changes in legislation, changes directed by a Tribunal, funding and scheme wording should be taken into account when considering whether any revisions to the CTS scheme are appropriate.
- 4.2 The Council is committed in providing support to CTS claimants and support takes different forms such as financial advice and support as detailed in Section 3 above and consideration has been given to the current cost of the scheme, (which is currently £14.99m) and the maximum support available to CTS claimants. The current maximum award is set at being 75% of a claimants Council Tax liability subject to income and circumstances such as the Council Tax band of the property. Should Council Tax levels increase or the caseload increase in future years then the cost of the scheme will increase.
- 4.3 It is clear given the financial challenges the Council continues to face that a local Council Tax Support scheme must be set taking into account the finances that are available, in addition to external factors as follows:
- Valuation Tribunal direction
 - Guidance from central government
 - Impact of current economic position
- 4.4 Whilst the economic situation as a result of the impact of COVID-19 and the cost of living situation is a particular concern, they are not procedural factors to be considered when setting a scheme as required by law, however the Council does have a duty to consider the impacts of the economy on financially vulnerable residents.
- 4.5 The number of Universal Credit claimants in the Borough has reduced when compared to last year, however there is an increase in Universal Credit claimants from April 2020 and increase in employment which suggests that the work is low paid, and recipients may already be in receipt of CTS. However the numbers of claimants in receipt of Universal Credit does not directly correlate with the number of CTS recipients because not all Universal Credit claimants have a Council Tax liability and so would not be eligible to claim CTS, for example younger people living with parents.

Table 2: Universal Credit claimants in Tameside

Month	Total UC claimants	Employed	Unemployed
April 2020	20,825	7,532	13,290
April 2021	26,774	9,909	16,862
April 2022	25,012	10,113	14,895

Source: DWP data as at June 2022. Excludes pensioners.

Valuation Tribunal direction

- 4.6 The Valuation Tribunal Service considers appeals by any resident with regard to Council Tax Support schemes. The Tribunal Service is independent of the Council. On occasion, the Valuation Tribunal may advise a local authority to reconsider elements of the scheme, which can be for a number of reasons, and, bearing in mind that each local authority will set its own scheme, any decision of the Tribunal can only be directed to the local authority scheme being considered at appeal. Tameside has not received any direction from the Valuation Tribunal Service.

Central government guidance

- 4.7 The Department for Levelling Up, Housing and Communities (DLUHC), have not issued any guidance on what local authorities should consider including in their local scheme for the forthcoming financial year. Should DLUHC release guidance at a future date then this would be included in a revision to the scheme to be set in February 2023.

Local Government Ombudsman Recommendations

- 4.8 The Local Government Ombudsman may also make generalised recommendations (as opposed to guidance) for all local authority schemes arising from complaints received, however no recommendations have been received which may have an impact on the 2023-24 scheme.
- 4.9 Tameside's Poverty Strategy and the current Poverty Truth Commission work has also been considered, and in particular the concerns that there are a plethora of forms to be completed to access different forms of financial support. By way of example, Universal Credit claimants will complete an application form to claim support for housing costs from the Department of Work and Pensions (DWP) and then have to complete another claim form to access Council Tax Support for help with Council Tax payments from the Council. In such cases the DWP notify the Council of the Universal Credit claim via their digital system and such notifications are known as UCDS.
- 4.10 It is therefore proposed that for Universal Credit claimants the notification of their claim from the DWP, via UCDS, would be taken as the application for Council Tax Support purposes. This means that Universal Credit claimants would not have to complete a separate claim form for Council Tax Support. It is acknowledged that the UCDS notification does not provide all necessary information on which to pay Council Tax Support. For example, information on non-dependents is not always included, nor is other income such as disability payments. The inclusion of non-dependents or additional income could have a bearing on the amount of CTS to be awarded, and which may result in a higher level of award. However, there are DWP systems available to check such entitlements, and, should queries remain, the claimant would be contacted for clarification before the claim is assessed and paid, as is current practice.
- 4.11 This proposed change is considered beneficial and therefore there will be no adverse effect on existing or new claimants, and in cases of minor and beneficial changes full consultation is not required.
- 4.12 The actual wording in the Council Tax Support scheme would need to be amended to reflect that notice via UCDS would be considered to be a claim for Council Tax Support purposes. However such changes cannot take effect mid-year in accordance with Scheme guidance and the proposal would be included in setting the 2023/2024 Scheme which requires Executive Cabinet approval via a report in Quarter 4 of each financial year prior to it becoming effective from 01 April of that year.
- 4.13 The suggested scheme wording would be included at (d) as below.

The Scheme part 1

2. Interpretation (1)

"Default Scheme Regulations" means the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012;

"designated office" means the office of the authority designated by it for the receipt of applications—

(a) by notice upon or with a form supplied by it for the purpose of making an application;

(b) by reference upon or with such a form to some other document from it and sent by electronic means or otherwise on application and without charge; or

(c) by any combination of the provisions set out in paragraphs (a) and (b);

(d) by notice via the Department of Work and Pensions Universal Credit Digital Service (UCDS) New claim notification

- 4.14 Given the above considerations of the procedural factors, no revisions to the scheme are proposed, save for the annual upratings of welfare benefit amounts and any urgent changes

to legislation, (which are not anticipated), and the proposal to consider the UCDS notification as the CTS claim form for Universal Credit claimants.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 The Equality Act 2010 makes certain types of discrimination unlawful on the grounds of: age, gender, race, gender reassignment, disability, maternity, sexual orientation, religion or belief.
- 5.2 Section 149 of the Equality Act 2010 places the Council and all public bodies under a duty to promote equality. All public bodies, are required to have regard to the need to
- Eliminate unlawful discrimination.
 - Promote equal opportunities between members of different equality groups.
 - Foster good relations between members of different equality groups including by tackling prejudice and promoting understanding.
 - Eliminate harassment on the grounds of membership of an equality group.
 - Remove or minimise disadvantages suffered by members of a particular equality group.
 - Take steps to meet needs of people who are members of a particular equality group.
 - Encourage people who are members of an equality group to participate in public life, or in any other area where participation is low.
 - This specifically includes having regard to the need to take account of disabled people's disabilities
- 5.3 The Act therefore imposes a duty on the Council, which is separate from the general duty not to discriminate. When a Council carries out any of its functions, including deciding the CTS scheme to be adopted, the Council must have due regard to the matters within the section of the Act outlined above. The Courts have made it clear that Councils are expected to rigorously exercise that duty.
- 5.4 A review of equalities information on the scheme takes place every quarter to ensure that the CTS scheme is operating as expected and to ensure that no one equalities group is adversely affected. The equalities groups considered are by age, gender, disability and maternity. The categories of gender reassignment, sexual orientation and religion or belief are not considered, as this information is not required to be held when processing Council Tax Support, which is a means tested benefit.
- 5.5 The last quarterly review undertaken in April 2022 revealed that there continues to be no adverse impact on any specific equalities group. Detailed equalities analysis will be included in the annual CTS reporting document, which is to be considered by the Executive Cabinet when setting the scheme.
- 5.6 The population of Tameside is an estimated at 231,100 based on the latest mid-year population (2021 stats) from the ONS. Trends show an ageing population. Tameside has 17,466 CTS claimants as at 01 April 2022 and of these 7,288 have reached pension credit age and are therefore fully protected under legislation contained in the prescribed scheme and will not see any change in their benefit entitlement.
- 5.7 In addition to considering the key characteristic groups it is important to consider that the CTS scheme in place remains largely the same as that in place from 2013/14 with the revisions as detailed in Section 1 of this report.

6 RISKS

- 6.1 In considering the decision on whether to change the CTS scheme for 2023/24, carries the risk, to some extent, of the unknown in terms of a potential increase in new claims. The rising

cost of living situation and potential strike action may result in some residents and existing claimants not having an income for periods of time, however this cannot be predicted.

- 6.2 Consideration must always be given to preventing poverty and the scheme aims to support as many Tameside residents as possible when in receipt of benefits or a low income. The cost of the scheme is borne by all Council Tax payers. To make the scheme more generous would impact on many residents of the Borough by way of increased Council Tax payments to fund any additional Council Tax Support scheme costs.
- 6.3 Central government issuing guidance which local authorities must take into account in implementing any future scheme may present a risk, however DLUHC are aware of the legislative timescale within which a local scheme must be set. Therefore, should DLUHC wish to issue guidance to be included in a future year's scheme then every local authority would be in the same position of a tight timescale within which to consult and redraft the scheme in accordance with legislation. The same applies with a Tribunal decision however such matters cannot be foreseen.
- 6.4 The decision as to whether or not the scheme as set from April 2022 should continue from April 2023 is complying with the procedure as set in Paragraph 5(1) of Schedule 1A to the 1992 Local Government Finance Act.
- 6.5 Equality reviews on the scheme currently takes place every quarter and an equality impact assessment will be included in the later report to set the scheme for the 2023/24 financial year.
- 6.6 The proposal to use the UCDS notification as the CTS claim form is beneficial to Universal Credit claimants and changes to assessment processes will be required. The proposal will not increase the costs of the Scheme or increase the number of eligible claimants.

7 CONCLUSION

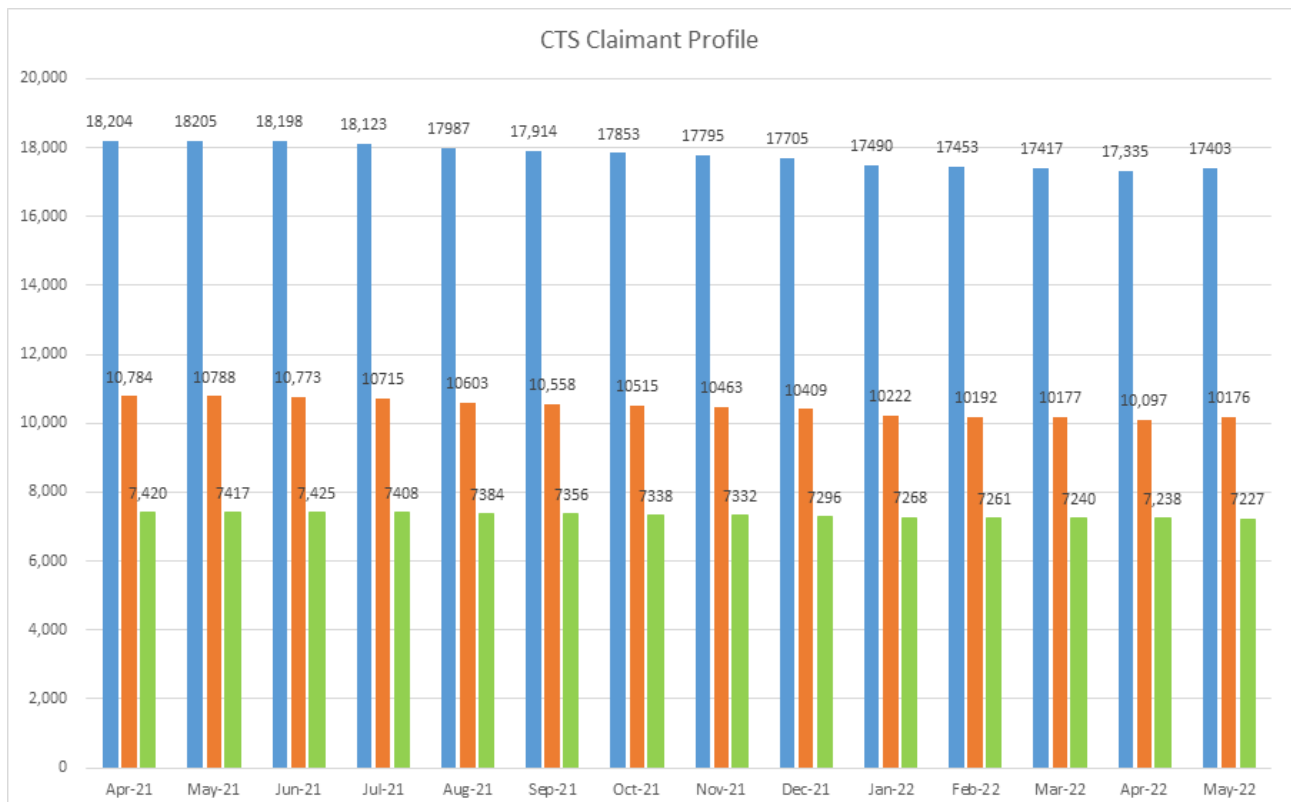
- 7.1 Council Tax Support claimant numbers and costs have reduced from April 2021 and scheme costs have increased. Claimant numbers and costs fluctuate daily however costs increase as the Council Tax set increases each year. The highest number of claimants are those of working age. This is expected as the scheme continues to operate as expected.
- 7.2 Claimants of pension age continue to be fully protected within the scheme. The scheme in terms of equalities monitoring is operating as expected and this will continue to be monitored every quarter.
- 7.3 Support will remain in place for all claimants in respect of the hardship fund and advice available from both the Council and partner agencies remains in place.
- 7.4 No Tribunal directions have been received in respect of having to change the scheme and no legislative changes from DLUHC are expected. The Local Government Ombudsman has not issued any recommendations with regard to Council Tax Support schemes.
- 7.5 In view of the above no proposals are made to change the scheme for 2023/24 save for the annual uprating of welfare benefit amounts set by central government and to use the UCDS notification from the DWP as the CTS claim form which, if approved, is beneficial to Universal Credit claimants.

8 RECOMMENDATIONS

- 8.1 As set out at the front of the report.

APPENDIX 1

COUNCIL TAX SUPPORT CLAIMANT PROFILE



* Data as at mid-month

Blue - Total claimants

Orange – Claimants of working age

Green – Claimants of pensionable age