

Report to:	EXECUTIVE CABINET
Date:	27 January 2021
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Ilys Cookson – Assistant Director Exchequer Services
Subject:	LOCAL COUNCIL TAX SUPPORT SCHEME 2021/22
Report Summary:	<p>The Council must adopt a Council Tax Support scheme no later than 11 March before the start of the financial year to which the scheme applies in accordance with the Local Government Finance Act 2012 as amended by The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017.</p> <p>The Council could decide not to set a scheme and the default scheme would apply in accordance with the Local Government Finance Act 2012. However, this would have significant financial impact on the Council. Additional costs associated with the default scheme were estimated to be in excess of £3.2m in 2013/14, and this may increase in 2021/22 depending on demand and the amount of council tax support applied.</p> <p>The Council could also decide to set an alternative scheme however to do so without rationale and evidence from the operation of the current scheme in the timescales required would carry significant risk.</p>
Recommendations:	<p>It is recommended that the Council:</p> <ul style="list-style-type: none"> (a) continues the scheme introduced in 2013/14, as amended in 2016/17, and adopts the council tax reduction scheme for 2021/22 set out in Appendix 3; (b) approves a £50,000 hardship fund be in place in order to assist severe cases of hardship funded from existing budgets, to be administered by Exchequer Services under the Section 13A Policy.
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:	In line with Council policy and guidance from MHCLG
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	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 2020/21, the estimated 'cost' of the scheme, in terms of revenue foregone, is approximately £16.5m, compared to £14.3m in 2019/20. This increase in the cost of the scheme is in part due to increases in Council Tax payable, but also due to a significant increase in the number of Council Support Claimants during 2020. This increase in claimant numbers is attributed to the economic impact of the COVID-19 pandemic and may increase further over the coming months if economic conditions and employment levels deteriorate. 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.

No changes are proposed to either the Council Tax Support Scheme or the Hardship Fund for 2021/22. If the Council chose to adopt the 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 in relation to the decisions sought are set out in the main body of this report together with the proposals to ensure that the scheme complies with the requirements of the Local Government Finance Act 2012 as amended by The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017.

Risk Management:

The scheme is legally compliant in the way it has been set and Risks are set out in Section 8 of this report.

Background Information:

The background papers relating to this report can be inspected by contacting Karen Milner



Telephone: 0161 342 5022



e-mail: karen.milner@tameside.gov.uk

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, amended by The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017, that Councils wishing to implement a local scheme must 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 Department of Communities and Local Government (now The Ministry of Housing, Communities and Local Government) have 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 scheme was set taking into account the costing envelope available.
- 1.3 Tameside's own local Council Tax Support (CTS) scheme was set at the Council meeting on 21 December 2012. The scheme was adopted to a challenging timescale additionally, the Universal Credit Regulations 2013, on which the principals of the Council Tax Support Scheme were based, was not passed through parliament until 25 February 2013.
- 1.4 The 2013/14 CTS scheme which had been in place since 1 April 2013 was revised after consultation had been carried out with the public between 14 September 2015 and 30 November 2015. The Police Authority and Fire and Rescue Authority precepting bodies were also consulted.
- 1.5 The following elements were introduced to the scheme from 1 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.
- 1.6 In consideration of setting the local CTS scheme for 2021/22 this reports sets out:
 - What the Council is required to do
 - The operation of the Council Tax Support scheme since 2013/14 and revisions effective from 01 April 2016 and in line with recommendations in 2019 The Local Government Ombudsman.
 - Amended wording to clarify the date an electronic form is treated as issued.
 - The operation of the scheme in relation to the COVID-19 pandemic.
 - The operation of the Hardship Payment Fund under the Section 13A Policy.
 - Proposed Council Tax Support scheme 2021/2022.

2. PROCEDURAL REQUIREMENTS

- 2.1 In setting a Council Tax Support scheme the Council must:
 - Adopt a Council Tax Support scheme no later than 11 March before the start of the financial year to which the scheme applies.
 - There are prescribed requirements which must apply to all schemes, which include 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 receive 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 the draft scheme.

2.2 A procedural requirement in drafting the council tax support scheme was to consult with members of the public and precepting bodies. As the scheme will remain unchanged from that set for 2013/14 and amended for 2016/17 it is not necessary to consult as no changes are proposed for the forthcoming year. Precepting bodies have been informed that the 2021/22 scheme will be unchanged from that which was set in 2016, and therefore there will be no impact on the precept budgets as a result of this.

2.3 The procedural requirements are contained in the Local Government Finance Act 2012.

3. COUNCIL TAX SUPPORT SCHEME IN OPERATION

3.1 In considering the setting of the local council tax support scheme 2021/22, it has been important to examine the information arising from the continual review of the scheme to ensure that demand and cost of the scheme, impact on equalities, communications and on the recovery of Council Tax remained within projections which took place at the time the scheme was set.

Demand

3.2 As at the end of quarter two of 2020/21 approximately 18,155 people claim council tax support. Of this number, there are approximately 7,519 (41%) people of pensionable age who will be guaranteed protection under the CTS scheme. Therefore approximately 10,636 (59%) claimants are of working age. Demand on the scheme is monitored on a quarterly basis and, Table 1 details the decline in demand since the scheme was first introduced in April 2013.

Table 1

Demand on Local Council Tax Support Scheme

Total claimants							
01/04/13	14/04/14	10/04/15	18/04/16	04/04/17	18/10/18	01/10/19	29/10/20
23,716	23,231	22,029	20,889	20,087	19,140	18,161	18,155

Claimant caseload fluctuates on a daily basis and overall there has been little movement on overall claimant numbers from 01 April 2013. The caseload continued to fall during 2020/21 even though residents had more to pay in Council Tax due to the Council Tax rise in April 2020 and despite the impact of the Coronavirus pandemic; however this decline appears to follow the pattern from previous years. The fall is unlikely to be attributed to the changes introduced to the scheme which became effective from 01 April 2016 because, while the changes affected the majority of existing claimants by way of a reduced amount of CTS awarded, it did not change the eligibility criteria.

4. OTHER FACTORS TO BE CONSIDERED

4.1 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, so 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 in 2020/21.

- 4.2 The Ministry of Housing, Communities and Local Government (MHCLG) have not issued any guidance on what Local Authorities should consider including in their local scheme for the forthcoming financial year. Should MHCLG release guidance at a future date then this would be included in a revision to the scheme to be effective from 01 April 2021.
- 4.3 The Local Government Ombudsman in their report of August 2019 to Local Authorities titled "Council Tax Reduction – Guidance for Practitioners" to help Local Authorities manage complex council tax reduction enquiries and complaints, made a number of recommendations to Councils. It is considered best practice to recognise the recommendations made to all Local Authorities by the LGO and provide clarity within the scheme, therefore to provide clarity in Tameside's Council Tax Support Scheme in relation to the treatment of these adjustments to entitlement to Council Tax Support, wording was inserted into the Scheme for 2020/21 at Schedule 8, paragraph (10). The wording will remain in the scheme for 2021/22.
- 4.4 Tameside has been progressive in moving from paper forms to electronic digital alternatives. The application process for Council Tax Support is an on-line form which can be commenced, saved and completed at a later date prior to submission.
- 4.5 The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 set out the way in which applications may be accepted by a Local Authority. Schedule 7, paragraph 2(b) states:
2. An application may be made—
(b) by means of an electronic communication in accordance with Part 4 of this Schedule.
- 4.6 Paragraph 13 of Schedule 7 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 provides that:
(1) Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority's scheme on the day the conditions imposed—
(a) by this Part; and
(b) by or under an enactment,
are satisfied.
(2) An authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).
(3) Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.
- 4.7 To determine the commencement date of entitlement to Council Tax Support, determination must be made of the date the application is treated as made. The date on which an application is made is legislated for in paragraph 5, of Schedule 8 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. Paragraph 5(1)(f) states:
(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as an authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;
- 4.8 There is no definition within the prescribed Regulations of when an application form is "issued". When a person requested a paper application form, the date the form was sent in the post or handed to the person was recorded and that date was treated as the date "issued". However, paper forms are no longer provided and a determination has to be made as to what

date the issue date should be. The electronic application form registers the date that the person first accesses the form to commence completion, shown as Date of First Contact. The form can then be saved and the person has the opportunity to return to the form at a later time or date to complete the information and submit their application.

- 4.9 To clarify this point, the following wording is to be inserted into the Scheme: Schedule 1, paragraph 48 and Schedule 9, paragraph 64
(9) For the purposes of sub-paragraph (1)(f) the date an electronic application form was issued shall be the date of first contact on the on-line application form.

5. EQUALITY 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 local authority carries out any of its functions, including deciding what Council Tax Support scheme to adopt, the local authority must have due regard to the matters within the section of the Act outlined above. The courts have made it clear that the local authority is expected to rigorously exercise that duty.
- 5.4 The Government has confirmed that people of state pension credit age are to have their current Council Tax Support levels protected and that the prescribed scheme must apply to them.
- 5.5 The population of Tameside is estimated at 226,493 based on the 2019 mid-year population statistics from the Office for National Statistics (ONS). Trends show an ageing population. The number of people aged 65 years is now 40,026 according to the ONS and the gender split of Tameside's overall population is 49% male and 51% female. There are currently 101,453 households in Tameside as at October 2020.
- 5.6 Tameside has approximately 18,155 CTS claimants (as at October 2020), of these 7,519 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. A full equality impact assessment on the scheme is detailed at Appendix one undertaken in 2015 in consideration of the changes to the scheme which became effective from 01 April 2016. The scheme to be adopted in 2021/22 is the same scheme as that set for 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21.

- 5.7 In addition to considering the effects on the key characteristic groups it is important to also consider:
- Economic vulnerability – 93% of the working age claimants (i.e. non-protected people below pension credit age) are out of work. For those with a disability this is 99% (although this is a function of incapacity / disability benefits being used as a proxy for disability).
 - Carers – 854 (5%) of all claimants receive Carer's Allowance.
 - Maternity – 3 (0.03%) of working age claimants receive Maternity Allowance.
 - War widows – 20 (0.1%) of all claimants are war widows (of which 7 are of working age).

(Data as at 29 October 2020)

- 5.8 To ensure that the council tax support scheme complied with the statutory public sector equality duty and the child poverty strategy quarterly reviews have been undertaken. It has been important to continually consider the equality impact to ensure that no adverse impacts emerged on the key characteristic groups of age, disability, gender, maternity, race, sexual orientation, gender re-assignment and religion and belief. The detail of the quarter two review of the scheme for 2020/21 is detailed here. The full equalities impact assessment undertaken in 2015 remains current and can be seen at Appendix One.
- 5.9 The conclusions drawn from the evidence & analysis of the effects on equality on the key characteristic groups are detailed here:

Workers

- 5.10 As at the end of quarter two (data taken 29 October 2020) 10,636 or 59% of total claimant base are working age claimants and 93% of those working age claimants are out of work. Working age claimants have increased by 105 people between quarters one and two. Those on low incomes / or reduced means as a result of a previous period of unemployment are protected by virtue of keeping support for 4 weeks once back in employment after having been out of work for more than 26 continuous weeks.

Disabled

- 5.11 A total of 5,000 claimants are disabled (28% of total claimants) and of those 2,513 are pensioners and so must be fully protected. There has been an increase in the number of working age disabled claimants from 2,379 to 2,487 between quarter one and two. Of the 2,487 working age disabled claimants there has been an increase in the claimants that are given protection by the exclusion of Disability Living Allowance from their income taken into account when calculating CTS, which can be up to £151.40 per week (2020/21 rates), from 516 to 611 people.
- 5.12 The number of working age disabled claimants has increased from 2,306 at quarter 4 in 2019/20 to 2,487 in quarter two 2020/21. A total of 27 disabled claimants were working in quarter two; a decrease of eight claimants between quarter 4 in 2019/20 to quarter two 2020/21. A total of 854 claimants (5%) receive Carer's Allowance and have been provided with extra support by having an additional element of allowable income in the assessment. This is a decrease of 1 person from quarter one.
- 5.13 In quarter two there are two less claimants in receipt of war pensions or war widow's pensions which are excluded from the assessment for council tax support.

Women

- 5.14 A total of 59% (10,711) of claimants are female. The number of lone parent households has increased by 54 claims between quarter one and quarter two. Of all the lone parent households, 2,445 (87% of all lone parent claims) are female. Of those that do not receive maximum support, disregarding Child Benefit in full offers some protection to this claimant category, (1,619 claims, 66% of the total female lone parent claims) however this is not

specifically restricted to female households nor is the disregard of childcare costs for working claimants with children. The number of female pensioners has fallen between quarter one and two to 4,322 from 4,359 (23.8 % of total claimants). The scheme has affected women more than men as expected as there are more female claimants.

Children and families

- 5.15 In setting the 2013/14 scheme the Child Poverty Strategy was considered as this commits the Council and its partners to eliminating the effects of child poverty and supporting the most vulnerable while reducing inequalities. The scheme continues to provide some protection for families with children by disregarding child benefit in full which affected 2,358 working age claimants (22% of working age claimants) of which 1,619 or 69% are lone parents and female in quarter two. Child care costs are disregarded for claimants in work in 28 claims of which 26 (93%) are single parents and 2 (7%) are couples.
- 5.16 Child maintenance has been taken into account in the calculation for 25 cases where CTS is payable or 0.2% of the total working age case load. However, in the majority of these cases the claimants were found to receive high amounts of tax credits which then with their earnings took them over the required amount to attract CTS.

War pensions

- 5.17 War pensions and war widow's pensions are disregarded in full from the calculation for CTS.

Effect of scheme changes introduced in April 2016

- 5.18 Band A cap. 1,639 (15%) of working age claimants have been affected by the introduction of cap on the amount of CTS awarded to that of a Band A property. Claimants living in higher banded properties have to pay the difference in Council tax between a Band A property. There are 52,586 Band A properties in the Borough.
- 5.19 Reducing the maximum award to 75%. The total working age caseload of 10,636 has been affected by reducing the maximum award from 80% when the scheme was set in April 2013 to 75% in April 2016. Pensioners are not affected as they continue to be protected in accordance with legislation.
- 5.20 Align deductions for non-dependents of working age to the same level as those in the prescribed scheme for claimants of pensionable age. There are 10,636 working age claimants however of these only 503 have a working age non-dependant where a deduction is taken.
- 5.21 Non-dependent deductions are disregarded for CTS claimants in receipt of a Staying Put payment. In the last year 1 claimant has benefitted from having a non-dependent deduction disregarded as they have an 18 year to 21 year old person living in the household who is subject to the Staying Put scheme after leaving care.

6. MITIGATION AND SUPPORT

- 6.1 In setting the 2013/14 local Council Tax Support scheme a Hardship Fund was put in place. 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 introduction of the scheme or changes to the scheme and may apply for additional monies to help pay their Council Tax. The Hardship Fund for 2020/21 was £50k and this will remain the same for 2021/22. Hardship funding is identified from existing budgets has previously been administered via the Tameside Resettlement Scheme. However, the Hardship Fund will now be administered by Exchequer Services under the Section 13A Policy which is detailed at Appendix two.

- 6.2 However this amount does not exclude approved applications being granted should the maximum allocated funding being exceeded.
- 6.3 Residents may also obtain advice and assistance on the Hardship Fund and Council Tax Support scheme from the Council's Benefits Service, Citizens Advice Bureau, Tameside Welfare Rights Service and other local advice services such as MiNT.
- 6.4 As at 30 November 2020, four applications for Hardship Relief have been received in the 2020/21 financial year; none of which were successful and no monies have been paid. The circumstances of the claims do not suggest that any one equalities group has been adversely affected. Residents may also obtain advice and assistance on the hardship scheme from the Council's Benefits Service, Citizens Advice Bureau and Tameside Welfare Rights Service.
- 6.5 Wherever possible mitigations have been put in place to protect the following equalities groups in the following ways:

Workers on low incomes / or reduced means as a result of a previous period of unemployment are protected by virtue of keeping support for 4 weeks once back in employment after having been out of work for more than 26 continuous weeks.

Disabled claimants of working age are protected by the exclusion of Disability Living Allowance from their income taken into account when calculating CTS, which can be up to £151.40 per week for the higher rate (2020/21 rates). This benefits 611 disabled claimants as at quarter two. 854 claimants in receipt of Carer's Allowance are provided with extra support by having an additional element of allowable income in the assessment. Disabled claimants in receipt of war pensions or war widow's pensions are protected as this income is also excluded from the CTS assessment.

Women are affected more by the scheme than men because there are a higher proportion of female claimants. The number of female lone parents has decreased from 93% to 87% of all lone parent claimants. Female pensioners have reduced between quarters one and two by 37. A total of 826 female single parent households receive maximum CTS benefit with the remainder being protected by the exclusion of Child Benefit from the CTS calculation.

Children and Families are protected by disregarding child benefit in full within the CTS calculation and child care costs being disregarded for claimants in work.

Staying Put Scheme: Non-dependent deductions are disregarded in households where there is an 18 year to 21 year old person living in the household who is subject to the Staying Put scheme after they have left local authority care. There is currently 10 people residing in Tameside in receipt of Staying Put payments however only 1 of these is in receipt of CTS and benefiting from the disregard at present.

There continues to be no specific impacts negative or positive on the following protected characteristic areas – ethnicity, marriage/civil partnership, sexual orientation, religion and belief, gender re-assignment.

- 6.6 The scheme was designed to provide extra support for vulnerable people with disabilities claiming benefit, carers and those in receipt of war pensions and to support as many claimants on low incomes as possible taking into account the requirements of the scheme as determined by the Government and affordability.
- 6.7 The scheme, including the changes introduced in April 2016, is operating as expected and no specific negative impacts have emerged to date other than those which were identified when the scheme was set and when revised, and the caseload continues to show a downward trend, therefore it is proposed to set in place the same scheme for 2021/22 that

was set in 2013/14 and revised in 2016/17 and continue to use the annual DWP Housing Benefit upratings, and the annual uprated UC elements as applicable. Further equalities analysis will continue to take place in each claimant category at the end of each quarter to enable the scheme to be continually monitored and to identify and investigate any unforeseen negative impacts should they arise.

- 6.8 The Benefits and Council Tax service works closely with housing and voluntary sector colleagues who assist claimants in supported accommodation. There are strong links with local DWP Job Centre colleagues to ensure that claimants of Universal Credit also complete a claim for Council Tax Support at the point of becoming unemployed.
- 6.9 As Universal Credit is rolled out in Tameside and in other parts of the country we will, wherever possible, monitor the effects of the CTS scheme in relation to Universal Credit claimants, however as this benefit is administered entirely by the DWP it may not be possible to do so as the Council has little information on which a comparison between entitlement to CTS using Housing Benefit annual uprated amounts and Universal Credit uprated amounts can be made. The law states that Universal Credit annual upratings must be used for claimants in receipt of Universal Credit.
- 6.10 As part of its response to COVID-19, the Government announced in the Budget on 11 March 2020 that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. Tameside has been allocated a Council Tax Hardship Fund of £2,158,109 by the government with the 'strong expectation' that billing authorities, such as Tameside will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of up to £150.
- 6.11 As at 31 October 2020, 11,690 working age claimants have benefited for a maximum of £150. £1.7m of the funding has been distributed leaving an additional £438k for claimants until the end of the financial year.
- 6.12 The government has further directed that billing authorities should establish their own local approach to using any remaining grant to assist those in need. A review has been undertaken in December 2020 to ensure all funding is distributed to Tameside council tax support claimants.

7. SCHEME COSTS AND IMPACT ON COLLECTION

- 7.1 The regulations state that all councils must include in their Council Tax Support (CTS) scheme protection for claimants who have reached the age for state pension credit, so that they receive the same support as they would have received in Council Tax Benefit. This means that any reductions in funding cannot impact on pensioners so the full impact falls entirely upon claimants of below pension credit age.
- 7.2 A further policy update received in July 2013 from The Ministry of Housing, Communities and Local Government confirmed that the amount of funding would not be identifiable from 2013/14 onwards as it stated that it is entirely for local authorities to decide how much they are prepared to spend on council tax support, which is why allocations for future years will not be separately identifiable.
- 7.3 With the reduction in monies available to fund the scheme it has been important to continually monitor the cost of the scheme. The amount of council tax support expenditure fluctuates on a daily basis and the scheme costs have stabilised over the last 4 years as detailed in Table 2 below.

Table 2 Costs of scheme by year

April 2013	April 2014	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020
£16.6m	£15.9m	£14.9m	£14.3m	£13.7m	£13.8m	£13.8m	£13.9m

- 7.4 Although the CTS scheme changed in April 2016 requiring that all claimants pay at least 25% of their Council Tax liability and the Council Tax increased in 2020/21 by 3.99% (including 2% Social care precept) the actual scheme costs remained the same. A social care precept and a Council Tax increase are expected from April 2021 which will impact on the scheme. This however would be offset by any increase in Council Tax collected. Scheme costs will continue to be closely monitored every quarter.
- 7.5 Any increase in Council Tax from April 2021 will have the effect of increasing scheme costs however as the costs have stabilised over the last 4 years and, despite the Coronavirus pandemic, the number of claimants has not increased significantly, suggests that the scheme costs will stabilise or decrease.
- 7.6 Claimants in receipt of Council Tax Support are monitored in terms of ensuring that Council Tax liabilities are paid. This is particularly important to support claimants to pay on time and not fall into arrears which can in some cases be difficult to recover for both the claimants and the Council.
- 7.7 A total of 59.58% of all Council Tax due for CTS claimants was collected as at 31 October 2020 totalling £1.8m. Of that £717k was collected from pensioners in receipt of CTS and £1.08m from working age claimants in receipt of CTS.

8. RISKS

- 8.1 In setting the local Council Tax Support scheme for 2021/22 it is important to consider the risks in doing so. If a local scheme is not set by 11 March 2021 the default scheme will apply. The default scheme is the same as the Council Tax Benefit scheme, which ceased to exist in March 2013 however this Scheme is no longer funded by government and the council has insufficient funds to pay for it without increasing Council Tax.. Costs associated with the default scheme were estimated to be in excess of £3.2m in 2013/14, and this is likely to increase depending on demand and the amount of council tax support paid.
- 8.2 There is a continued risk that demand for support could increase if the economic picture continues to worsen due to the COVID-19 pandemic and we cannot predict the number of people that may claim council tax support in the future. However the evidence gathered to monitor the effects of the scheme on a quarterly basis show a sustained decrease in demand since the scheme was introduced in April 2013 and a stabilising in the cost of the scheme in recent years.
- 8.3 Implementation of the local scheme has meant that some people are paying Council Tax for the ninth year as all working age claimants must pay at least 25% of their Council Tax liability. Small debts are difficult to collect and often take years to clear. This is particularly so where an attachment of benefit is in place to recover Council Tax arrears because the DWP have a hierarchy of attaching a debt to a benefit from source and council tax ranks below utility payments and other housing costs. There is a risk that Council Tax arrears may increase as a result, however to date this has not been evident.
- 8.4 There is also a continuing risk concerning provision of appropriate communication of the scheme to residents and in particular benefit recipients. To mitigate this communication on the scheme via the Councils web-site and on-line calculator will remain in place, as it is important that claimants are clear that they will have some council tax liability which will need to be paid.

9. CONCLUSIONS

- 9.1 In setting a Council Tax Support scheme for 2021/22 it has been important to consider the current operation of the scheme.
- 9.2 Demand for the CTS scheme has been stable throughout the year to date despite the economic impact of the COVID-19 pandemic. The scheme, when drafted, was designed to be as fair as possible and it appears sensible to continue to provide a Hardship Fund of £50k to be administered by Exchequer Services as part of the Section 13A Policy.
- 9.3 The public sector equality duty has been considered in relation to the live operation of the scheme. There will be no anticipated specific impacts negative or positive on the following protected characteristic areas as a result of the council tax support scheme – ethnicity, marriage/civil partnership, sexual orientation religion and belief and gender re-assignment, disability, age and gender. There has been a reduction in overall caseload and categories of claimant as evidenced via the quarterly monitoring that has taken place.
- 9.4 The procedural requirements have been adhered to as the scheme will be adopted before 11 March 2021 before the start of the financial year to which the scheme applies. The prescribed requirements continue to be contained within the scheme and claimants of state pension credit age will continue to receive the same support as they received under Council Tax Benefit.
- 9.5 Additional wording has been incorporated into the scheme for 2021/22 to clarify the position of the Local Authority regarding electronic application forms and the date on which these forms should be treated as issued.
- 9.6 As it is not intended to change the basis of the scheme no consultation other than that required to precepting bodies and the general public consultation on the Forward Plan for a Key Decision no further consultation is believed to be required under the legislation. Precepting bodies have been notified that the same scheme is proposed to be adapted in 2021/22 as that set in 2013/14, and as revised in April 2016.
- 9.7 Council Tax collection rates have been monitored throughout the year and support and advice has been made available to all CTS claimants. Additional support will continue to be provided via the Hardship Fund, continuing to provide the on-line calculator, up to date web pages, self-service account access, advice and summons surgeries.

10. RECOMMENDATIONS

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