

## **Runnymede's Council Tax Support Scheme 2022/23 – (Customer, Digital and Collection Services – Ed Bowen)**

### **Synopsis of report:**

**To recommend that the Council Tax Support scheme for 2022/23 continues in its current form with no changes other than statutory changes and uprating.**

### **Recommend to Full Council on 3 March 2022 that:**

**The Council Tax Support Scheme for 2022/23 to be implemented from 1 April 2022 continues in its current form with no changes other than statutory changes and uprating.**

## **1. Context of report**

- 1.1 Council Tax Support (CTS) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:
- Placed the duty to create a local scheme for Working Age applicants with billing authorities.
  - Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
  - Prescribed that persons of pension age would be dealt with under regulations set by Central Government and not the authorities' local scheme.
- 1.2 The scheme is open to all residents of Runnymede Borough, not just those living in rented accommodation. As the funding of the scheme has a financial impact on all residents of the borough it is for the Corporate Leadership Team and Members to consider any variation.
- 1.3 Each year, the Government amends the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension-age Local Council Tax Support (LCTS) schemes are updated in line with changes in the wider benefits system. The annual update also provides an opportunity to ensure that the residency requirements for accessing both pension-age and working-age LCTS remain consistent with the UK's immigration policy.
- 1.4 Since that time, funding for the Council Tax Support scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.
- 1.5 Pensioners, subject to their income, can receive up to 100 per cent support towards their council tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of CTS can only be made to the working age scheme.

- 1.6 At its meeting on 12 February 2019, Full Council agreed a Council Tax Support scheme to be implemented from 1 April 2019. The revised scheme, for those of working age only, is:
- CTS will continue to be restricted to the Band D charge
  - With the exception of those classed as vulnerable, everyone must pay at least 20% of the charge
  - The vulnerable will pay at least 10% of the charge
  - CTS entitlement calculated at less than £10.00 per week will not be paid, except for those classed as vulnerable – the previous level of £5.00 per week will be maintained
  - Second Adult Rebate continues to be withdrawn
  - Backdating remains at three months
  - Earnings disregards will be reduced by £5.00 per week – matching the levels in the Housing Benefit scheme
  - Allowed temporary absence outside of the UK will be reduced to four weeks – matching the Housing Benefit scheme
  - Entitlement to CTS will be withdrawn entirely for those in properties in Bands F, G and H
  - The capital limit will be reduced from £16,000 to £10,000 – except for the vulnerable
  - A Minimum Income Floor will be introduced for those who are self-employed, along with a one-year start up period
  - Non-dependent deductions will be increased to match the levels set by the Government in the Prescribed Requirements
  - Entitlement to the Family Premium will be restricted for new CTS applications received from 1 April 2019
- 1.7 At its meeting on 24 September 2020, the Corporate Management Committee considered a report reviewing Runnymede's Council Tax Support Scheme to ensure that it was up to date and relevant which sought to avoid an excessive financial burden on the general Council Tax payers and to provide a scheme that was fair and equitable to all sections of the community, kept pace with changes to Universal Credit and Housing Benefit and took into account the effects of the Covid -19 pandemic.
- 1.8 At its meeting on 24 September 2020, the Corporate Management Committee considered four options for Runnymede's Council Tax Support Scheme. It decided to adopt Option 2 which would keep the scheme unchanged and create a £50,000 discretionary hardship fund. The Government had granted Runnymede Borough Council £337,832 to deal with the impacts of coronavirus. The cost of the £50,000 discretionary hardship fund would be met by using part of this grant.
- 1.9 The Corporate Management Committee agreed that the discretionary hardship fund would commence in April 2021 and would be administered over two years and would be used to help those most in need due to the economic impact of coronavirus but were excluded from Council Tax Support or were receiving less than their full liability. It was agreed that the Council would review the Council Tax Support Scheme and the discretionary hardship fund in two years' time and that it should receive an analysis of the discretionary hardship fund payments, showing which payments were made and which payments were not made and the reasons for these decisions. As the Committee had adopted Option 2, there was no need to undertake consultation with stakeholders on whether they would prefer Option 1, 3 or 4 as the scheme would be maintained in its current form.

1.10 The rules of the scheme have been clarified with regards to the calculation of the income and applicable amount for those applicants in receipt of Universal Credit. The rules have also been updated so that a claim for UC can be taken as an initial claim for CTS.

1.11 What has not changed?

- War Pensions will continue to be disregarded in full
- Child Benefit and child maintenance will continue to be disregarded in full
- Those of pension age will continue to be protected from all changes

## 2. Background

2.1 The table below details expenditure on CTS, savings made and caseload since April 2013.

Financial Year	CTS Expenditure (£)	Savings (£) - from baseline of £460K	Pensioner Caseload	Working Age Caseload
2012-13	4,585,233	0	2132	2303
2013-14	3,994,881	605,119	2,264	1,903
2014-15	3,818,704	781,296	2,032	1,799
2015-16	3,843,567	756,433	1,967	1,854
2016-17	3,862,122	737,878	1,803	1,863
2017-18	3,935,861	664,139	1,698	1,801
2018-19	4,121,480	478,520	1,675	1,864
2019-20	3,777,263	822,737	1,565	1,565
2020-21	4,031,132	568,868	1,471	1,799
2021-22	*4,072,807	527,193	*1,460	*1,694

\* as at 14 January 2022

2.2 As can be seen from the above table, with the abolition of Council Tax Benefit (CTB) from 2013, the level of expenditure on CTS has been set at £4.1m to achieve the 10% reduction in funding. Over time expenditure increased prior to the amendments introduced in 2019 when the level of expenditure would have exceeded the £4.1m baseline which will then begin to impact on the Council Taxpayer.

2.3 Members are further reminded that when CTB was abolished from April 2013, the Government introduced a prescribed CTS scheme for those of pension age. The prescribed scheme ensured that pensioners were not affected, at all, by the reduction in funding for CTS. This meant that the overall 10% reduction in funding falls entirely on working age CTS recipients.

2.4 Runnymede's collection rate in 2018 was 98.11 and has not been adversely affected by the changes made to the CTS scheme as shown in the table at Appendix 'A' attached.

2.5 The table at Appendix 'A' attached shows the Council Tax collection rates across Surrey are above the national average for shire districts.

2.6 The fall in the collection rate is reflected nationally and was due to the closure of the Magistrates Courts due to the pandemic. Subsequently, this delayed the normal

recovery process and in Runnymede it was not possible to obtain a hearing until November 2020. However, the collection rate remained buoyant.

### 3. Options for Change

3.1 Regarding the Council Tax Support Discretionary fund referred to at paragraphs 1.8 and 1.9 above, residents excluded from the CTS scheme or who saw a large shortfall between their entitlement and the council tax they are liable for can apply to this discretionary fund if there is a link to Covid and their inability to pay their council tax bill.

3.2 This fund is to cover the financial years 2021 to 2023.

<b>Discretionary Council Tax Support</b>	<b>2021/22</b>	<b>2022/23</b>
Total number of applications	11	
Successful applications	8	
Unsuccessful applications	1	
Awaiting decision	2	
Total Spend	£5,867	

3.3 Officers will be considering options for a full scale review of Runnymede's Council Tax Support scheme during 2022. This is to ensure the scheme incorporates the roll out of Universal Credit and to take the opportunity to simplify the administration of claims and make it easier for the Council's most vulnerable residents to understand how their financial assistance has been calculated and what help those of working age are entitled to with their Council Tax.

3.4 Easing the administrative burden would create opportunities to divert resources to welfare take-up and so ensure customers are asked to pay the correct amount, and the authority would not be wasting money pursuing debt or creating hardship unnecessarily. Any changes would come into effect from April 2023.

3.5 As the scheme has been in its current form since April 2019, proposals for a full scale review of the CTS scheme will be submitted to a future meeting of the Committee, so that the Council's decision on the CTS scheme for 2023/24 can be informed by the findings of that review.

### 4. Runnymede's current CTS scheme for working age people

4.1 The current CTS claimant count and approximate expenditure as at January 2022 is set out in the following table:

Type of Recipient	Volume of Cases	Expenditure (£)
Pensioner	1,460	1,947,868
Working age vulnerable	908	1,224,172
Working age employed	68	66,427
Working age other	718	834,340
	<b>3,154</b>	<b>4,072,807</b>

### 5. Officer recommendation

5.1 As the Corporate Management Committee on 24 September 2020 decided to maintain the scheme in its current form until April 2023, officers recommend that the scheme be kept in its current form and updated according to the Statutory Instrument

and the Housing Benefit uprating circular A11/2022. Further details are provided in the paragraphs set out below.

5.2 Uprating is the method of reflecting the latest annual review of benefits and pension rates announced by the Department for Work and Pensions on 25 November 2021. The Regulations uprate the amounts summarised below which must be included in the pension-age and be adopted by Runnymede for the working age LCTS schemes from 2022-23:

5.3 **The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022 SI 25/2022**

- Non-dependant deductions – the adjustments made to the maximum amount of council tax reduction an applicant can receive to reflect non-dependant adults living in the property;
- Applicable amounts - the amount against which a person's income is compared to determine the amount of reduction to which they are entitled;
- Premiums – the additional amounts of income which persons with particular characteristics – such as those with disabilities – can have without their eligibility for a council tax reduction being affected;
- The amount which may be disregarded where the applicant is the parent of a specified student under the age of 25 and makes an eligible contribution to their maintenance; and
- The alternative maximum council tax reduction - this allows an LCTS recipient whose income or savings exceed the usual eligibility threshold to obtain a 25 per cent reduction in their bill where they share their home with one or more adults who do not pay rent, are not their partner, and who have a combined weekly income below the specified amount.

5.4 **Income and capital disregards**

From 2022-23 onwards, pension age schemes must make provision for the treatment of the following payments:

- Redress payments for survivors of historical child abuse in Scotland or Northern Ireland must be disregarded when considering eligibility for LCTS when the person pays council tax in England;
- Child Disability Payments, which are replacing children's Disability Living Allowance in Scotland, must be disregarded in the same way as DLA when a pension age LCTS applicant with responsibility for a disabled child relocates to England; and
- Payments made under the Windrush Compensation Scheme (Expenditure) Act 2020 must be disregarded when considering eligibility for LCTS.

5.5 **Habitual residence test**

- The Regulations make changes so that persons of working or pension age entering the UK from Afghanistan must be treated as habitually resident in the UK if they have been granted leave to remain by virtue of the Afghan Relocations and Assistance Policy, the Afghan Citizens Resettlement Scheme or the previous scheme for locally employed staff in Afghanistan; or
- left Afghanistan in connection with the collapse of the Afghan government that took place on 15 August 2021.

## 5.6 Support for Energy prices – Council Tax rebate Disregard of £150 Cost of living

In addition, the Government announced, on 3<sup>rd</sup> February 2022, that it will provide funding for billing authorities to give all households in England whose primary residence is valued in council tax bands A – D a one-off council tax energy rebate payment of £150. This payment will operate outside of the council tax system, using council tax lists to identify eligible households. This was announced along with a discretionary fund for households in need who would not otherwise be eligible. This could include for example individuals on low incomes who live in properties valued in bands E – H. The Government will also lay regulations – well ahead of the 11 March deadline for finalising schemes - to require that council tax energy rebate payments must be disregarded as income for the purposes of calculating eligibility for both working-age and pensioner local council tax support schemes in 2022-23.

## 6. Financial implications

- 6.1 Should the Council adopt the unchanged scheme, with a £4.96 Band D increase in Council Tax for 2022/23, the Council will have to find the shortfall between the Government grant and expenditure.

## 7. Legal Implications

- 7.1 When CTS was introduced, local authorities were obliged to have a scheme in place by the end of the January preceding the start of the following financial year (for example, 31 January 2013 for the year starting 1 April 2013) or adopt the 'default' scheme. With effect from December 2017, the date of 31 January has been revised to 11 March.

## 8. Equality implications

- 8.1 Councillors need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty, as set out in Section 149 of the Equality Act 2010, as part of the decision making process. The three aims the authority must have due regard for are:
- eliminate discrimination, harassment and victimisation
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - foster good relations between persons who share a relevant protected characteristic.
- 8.2 An Equality Impact Assessment (EIA) for the April 2019 scheme was undertaken and as there is no recommended change to the current scheme, a new EIA has not been carried out.

**(To recommend to Full Council on 3<sup>rd</sup> March 2022)**

### Background papers:

Revised CTS scheme rules for those of pension age – available electronically  
Revised CTS scheme rules for those of working age – available electronically