

TITLE	Council Tax Support Scheme - 23/24
FOR CONSIDERATION BY	Council on 19 January 2023
WARD	(All Wards);
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

The adoption of a Localised Council Tax Reduction Scheme (CTRS) will ensure that all working age borough residents who may experience financial difficulties in paying their council tax liabilities have access to a scheme of assistance, designed locally, offering financial help to them.

The local CTRS does not impact pensioners who still come under the Government's "Prescribed scheme"

RECOMMENDATION

That the Council agree the proposed Council Tax Reduction Scheme for 2023/24:

- 1) a local CTR scheme for 2023/24 is adopted on the same basis as the 2022/23 with a growth of £100k included in the proposed MTFP in order to maintain support in line with Council Tax increases and to reflect increases in central government welfare payments.
- 2) that the full disregard currently allowed for War Widows and War Disability Pensions is continued from 1st April 2023 in respect of the Prescribed and Local Council Tax Reduction Scheme and Housing Benefit schemes
- 3) that funds be made available to the hardship fund, known as Section 13a (S13a) scheme, for those who cannot pay their council tax liabilities.
- 4) Members to note the linkages to the broader Tackling Poverty Strategy of both the Council Tax Reduction Scheme and the S13a scheme.
- 5) Members note an additional £250k to be included in the proposed 2023/24 general fund revenue budget to provide further support above and beyond the Council Tax Relief Scheme to tackle poverty in the light of cost of living pressures.

SUMMARY OF REPORT

Each year Wokingham Borough Council has to decide a Council Tax Reduction Scheme (CTRS) that fulfils the purpose of supporting our most vulnerable residents and is contained within agreed budgets.

Wokingham Borough Council has reviewed its current CTRS, assessing its impact and effectiveness. In light of the current cost of living pressures further consideration has been given to providing additional funds above the CTRS scheme to provide additional support to residents in 2023/24.

Background

COUNCIL TAX REDUCTION

In April 2013 Council Tax Benefit (CTB) was abolished and replaced by Council Tax Reduction Scheme (CTRS). This was accompanied by a 10% reduction in Government funding, which was equivalent to around £600k to WBC, and schemes were written to reflect this. The funding for this was withdrawn from 2015 and was then incorporated within the Revenue Support Grant, which was reduced to zero in 2018 for WBC.

This scheme is not provision of grant to individuals but a reduction in the amount of council tax they are required to pay; this means that there is no budget as such but a reduction in the level of council tax receipts.

Therefore, when considering a new or revised scheme, various alternatives are modelled in the context of affordability which considers the overall impact on the recipients benefiting from the scheme and the Council's collection fund.

The main features of the scheme are:

- It is an income-banded scheme
- There is no provision for back-dating awards, prior to the claim date
- the minimum level of support available is set at £3.00 per week
- the maximum level of support is 78% of council tax liability
- claims restricted to Band D and below
- an investments and savings limit of £4,000
- Disability Living Allowance/Personal Independence Payments, Armed Forces Independence Payments and War Disablement Payments are disregarded.
- Child Benefit and Child Maintenance are disregarded.
- Carers Allowance disregarded.

In addition to the CTR scheme the Council is also doing what it can to assist those in hardship which includes:

- Household Support Grant
- Additional Government Grants
- Council lead voluntary support for the vulnerable
- Local Welfare Provision
- Discretionary Housing Payments
- Section 13a scheme.
- Working with key partners and stakeholders

It should be noted that the local CTRS only impacts on those of working age.

Pensioners are assessed and awarded under the Government's "prescribed scheme".

Annual review

Each year, all collecting local authorities are required to review their scheme and consider whether changes should be made. In considering a review for our CTRS, the following criteria have been considered:

- How the current scheme is working both directly for residents/recipients and administratively
- Financial impact to the council, all its residents and recipients of CTR
- Impact on council tax collection rates on an overall basis and broken down to recipients of CTR.

Other considerations:

- Any known future changes to government legislation/schemes and funding as well as other activity at a local level
- Effectiveness of the S13a scheme (hardship fund available to assist those residents who cannot pay their council tax for a variety of reasons)
- Financial status of the Council and its balances
- The continued fallout from the COVID pandemic on the Council and its residents.
- Increase in the cost of living.

Findings

- Generally, administration of CTR has worked well and without any substantial problems or issues;
- We have had a low level of tribunal cases
- Previous years have shown that the scheme has been affordable for the Council
- Overall council tax collection has held up relatively well including payments by those in the CTR scheme and is mainly on target, despite external challenges.
- The services (Income & Assessments) continue to analyse the impact of COVID as well as the increase in the cost of living on the CTRS, the effect on the vulnerable and how these impact on collection levels.
- There are a small number of claims made to the S13a scheme (hardship fund) each year. This scheme is discretionary and assists those residents who are unable to pay their council tax due to hardship. A policy is agreed each year and the scheme advertised on our website (<https://www.wokingham.gov.uk/council-tax/discountsand-appeals/council-tax-discounts-and-reductions/>).
- In light of the current issues from cost of living pressures it is acknowledged that additional support is required beyond the scheme for increased costs outside of Council Tax. In order to ensure that support is best tailored to those in most need it is recommended those funds are administered outside of the CTR scheme

Table on spend below:

Year	Spend on S13a awards	Number of awards
13/14	£2,383.93	5
14/15	£4,766.88	10
15/16	£5,804.00	14
16/17	£8,978.22	15
17/18	£16,227.13	15
18/19	£10,682.05	11
19/20	£13,544.70	16
20/21	£14,286.00	33
21/22	£28,574.83	42
22/23	£37,223.79 – 30 th November 2022	38

Council Tax Reduction Scheme 2023/24 - Recommendation

When devising a scheme, we must consider both the impact on the residents eligible to receive CTR and all residents who pay council tax, along with the financial impact it will have on the council and its delivery of services.

The impact of COVID still remains a key issue for the Council as well as the increase in the cost of living and it needs to be able to react appropriately to provide whatever support we can to those in genuine hardship in accordance with our commitments under the emerging Anti-Poverty Strategy. CTRS and S13a scheme are and will remain a source of help to fulfil this.

In conclusion it is recommended that the scheme remains the same for 2023/24 but with thresholds increased to reflect increases in welfare benefit payments and increases in Council Tax. That additional funds to support wider cost of living pressures are allocated to provide further financial support and that arrangements are developed over the coming weeks to best ensure those funds are directed most effectively.

Summary

As a result of reviewing the current scheme and the financial circumstances of the authority, it is proposed that a local CTR scheme for 2023/24 is approved by Council on 19 January 2023 on the same basis as the 2022/23 scheme but with increases thresholds to reflect increases in council tax and in national welfare benefits.

Protection to pensioners would still apply.

The Council remains aware that a relief scheme such as CTRS may exclude some claimants who, in the short term at least, are unable to improve their financial circumstances. This may present them with difficulties in paying council tax liabilities. In this respect, the provision for further discretionary reductions is to be made under Section 13A(l)(c) of the Local Government Finance Act 1992 as substituted by the Local Government Finance Bill 2012.

The report has been prepared in consultation with both Finance and Legal and any comments made have been reflected within the report.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£4.15 mill (22/23)	Yes	Revenue
Next Financial Year (Year 2)	£4.49 mill (23/24) (includes £0.1m growth to meet increased thresholds and £0.25m addn funds to support wider poverty reduction activity)	Yes	Revenue
Following Financial Year (Year 3)	Not decided		

Other financial information relevant to the Recommendation/Decision

Provision has been made for the current scheme within the MTFP including a growth of £100k to ensure the scheme reflects Council tax increases and increases in national welfare benefits. As explained above, in light of the current cost of living pressures an additional £250k has been included in 2023/24 above the expected costs of the Council Tax Relief scheme to further tackle poverty pressures. The approach to best utilise these funds for those residents most in need will be developed in the coming months.

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

None

Public Sector Equality Duty

The Scheme is in the main the same as the previous year when an equality assessment was conducted. This has been reviewed to ensure all things remain relevant and mitigation effective

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
None

Reasons for considering the report in Part 2

List of Background Papers
<ul style="list-style-type: none"> - The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012 No. 2885), as amended - Local Government Finance Act 1992 - The Welfare Reform Act 2012 - The Equality Act 2010 - The Housing Act 1996 - Initial EQIA

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