

## **NON EXEMPT**

### **HAVANT BOROUGH COUNCIL**

**Council**

**26 January 2022**

#### **Council Tax Support Scheme 2022/23**

**Report by Brian Wood – Head of Customer Services**

#### **FOR DECISION**

**Portfolio: Cabinet Lead for Community Safety and Organisational Development  
Cllr Narinder Bains**

**Key Decision: Yes**

**Report Number: HBC/023/2021**

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#### **1.0 Purpose of Report**

1.1 This report was considered by Cabinet on 15 December 2021 and the below recommendations were agreed for onward submission to Full Council.

#### **2.0 Recommendation**

2.1 That Council approve the following:

- 1) that the 2021/22 Council Tax Support Scheme is retained for 2022/23 but with the following amendments:
  - i) the Allowances and Premiums used in determining entitlement for working age claims are changed as set out in paragraph 4.6 of this report.
  - ii) the Non-Dependant deductions used in determining entitlement for working age claims are changed as set out in paragraph 4.7 of this report.
- 2) that the necessary amendments are made to the Council Tax Support Scheme document and that it is then published in accordance with Local Government Finance Act 1992 Section 13A(2).

#### **3.0 Executive Summary**

3.1 The localised Council Tax Support scheme was introduced by the Local Government Finance Act 2012 to replace the national Council Tax Benefit Scheme from 1/4/13.

3.2 The legislation imposes a duty on each Council to adopt a scheme by 11 March each year to apply for the forthcoming financial year.

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3.3 This report puts forward a recommended approach for 2022/23.

### 4.0 Additional Budgetary Implications

- 4.1 HBC's current scheme is based on the Ministry of Housing, Communities & Local Government (MHCLG now DLUHC) default scheme (which mirrored the former council tax benefit scheme) but with a reduced maximum amount of support available for certain working age households.
- 4.2 The scheme requires a minimum payment of 8.5% of the council tax liability from all working age households apart from those in receipt of disability related incomes. For these households, the scheme therefore offers a slightly reduced level of support compared to the former council tax benefit scheme.
- 4.3 Scheme expenditure and caseload had reduced since 2013/14 mainly because of the improving economic situation; Since March 2021, following the COVID-19 outbreak and crisis, the situation is improving and with it an improvement in the economy and we are seeing a return to a reducing case load both in working age and pensioners. It is expected that this will continue through the rest of this year. It is difficult in predicting for the 2022/23 year due to the tax changes etc, but we suspect that the reduction will slow.

*Council Tax support scheme caseload and expenditure:*

	Cases in payment on 31 March	Amount of benefit paid out	note
2012/13	11,118	£9,174,118	last year of council tax benefit
2013/14	10,569	£8,632,007	
2014/15	10,059	£8,207,832	
2015/16	9,788	£7,916,713	
2016/17	9,654	£8,013,050	
2017/18	9,298	£8,341,559	
2018/19	9,123	£8,392,266	
2019/20	8883	£8,463,841	
2020/21	8856	£8,812,938	
2021/22	8731	£9,105,459	As at 31/08/21
2022/23	8431 est	£9,057,764.	Estimated cost for the year

4.4 The estimated cost of retaining the current scheme for 2022/23 is £9,057,764.

This estimate assumes that the current caseload pattern continues for the remainder of 2021/22 and through 2022/23. The estimate also takes account of the possibility that the relevant precepting authorities will levy the same increase in their Council Tax precept from 1 April 2022 as was levied in 1 April 2021.

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- 4.5 Uprating – this is the process under which various elements (Personal Allowances, Premiums and Non-Dependant deductions) used in the calculation of entitlement under the scheme are altered to reflect inflation and changes to the level of pensions and other Benefits.
- 4.6 Personal Allowances and Premiums – the arrangements for pensioners within our scheme are prescribed by the MHCLG and they will be advising Councils of the new figures that must be included in our scheme for 2022/23. However, for working age claims it is for the Council to decide. The Personal Allowances and Premiums in our current scheme match those that are used to calculate Housing Benefit for working age claimants. To retain this consistency with the Housing Benefit scheme, it is recommended that the Council adopts the same figures that the DWP will be specifying for the Housing Benefit scheme for 2022/23. The DWP will advise councils of these in due course but it is expected that the DWP will continue to freeze the personal allowances and premiums for 2023/24.
- 4.7 Non-Dependant deductions – our current Council Tax Support scheme includes the same levels for non-dependant deductions for both pension age and working age claims. The MHCLG will be prescribing the revised non dependant deduction levels for pension age claims and to retain consistency, it is recommended that the revised figures set by the MHCLG for pension age claims for 2022/23 are also adopted for working age claims for 2022/23. The MHCLG will advise councils of the amounts in due course
- 4.8 To continue a Council Tax Support Hardship Fund to support the most vulnerable Council Tax Support customers to:
- (ii) Allow a short period of time to adjust to unforeseen short-term financial circumstances whilst the applicant seeks alternative solutions.
  - (iii) Support the applicant in managing their finances
  - (iii) Help the applicant through personal circumstances and difficult events that affect their finances
  - (iV) Prevent exceptional hardship
  - (iV) Support those who are trying to help themselves financially

The expected cost would be £5,000.

## **5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s**

- 5.1 The approach recommended supports the Councils corporate Strategy ‘A thriving local economy with infrastructure to support our ambitions’ but also ensures the most vulnerable residents are equally supported.

## **6.0 Options considered and reasons for the recommendation**

- 6.1 A full review was conducted in 2017 – a further review was planned to be undertaken in 2021-22 to look at the introduction of a simplified Banded

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Council Tax Support scheme for 2022/23. This has had to be carried forward to 2022/23 due to the current economic crisis because of Covid-19.

- 6.2 Considering the assumptions outlined in paragraphs 4.1 – 4.7, the estimated cost of retaining the current scheme for 2022/23 is £9,057,764. Retaining the current scheme would require no increase in staffing or other administration costs and is the most effective option that also meets the objectives of the council without disadvantaging our customers.

### **7.0 Resource Implications**

#### **7.1 Financial Implications**

See section 4.0 above

#### **Section 151 Officer comments**

Date: 18<sup>th</sup> October 2021

*Detailed figures are in the report. Retention of the current scheme would require no additional costs and delivers the objectives of the Council without disadvantaging our customers.*

#### **7.2 Human Resources Implications**

None

#### **7.3 Information Governance Implications**

None

#### **7.4 Links to Shaping our Future Programme**

The statutory requirement for the Council to adopt a Council Tax Support Scheme annually is not impacted by the Shaping our Future Programme.

### **8.0 Legal Implications**

The Council has a statutory duty to operate a Council Tax Support Scheme. Any changes to the current scheme for 2022/23 must be adopted by full Council by 11/03/2022.

#### **Monitoring Officer comments**

Date: 24<sup>th</sup> September 2021

*Legal implications are set out above in this report.*

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### **9.0 Risks**

A full Customer Impact Assessment of the proposed 2013/14 scheme was completed during 2012. The proposed scheme for 2022/23 differs only marginally from the 2013/14 scheme.

An increase in caseload would lead to an increase in the cost of the scheme. This is difficult to predict however current movement in caseload would suggest that the caseload is now stabilising and starting to reduce although only marginally.

### **10.0 Consultation**

Cllr Narinder Bains  
Revenues and Benefits Contract Manager (Client)  
Director of Corporate Services  
Monitoring Officer  
Head of Housing and Communities  
Executive Board (TBA)  
Hampshire County Council will be made aware of the proposed scheme.

### **11.0 Communication**

Hampshire County Council will be advised of the proposed scheme for 2022/23 on behalf of the major precepting authorities. It is not anticipated that they will have any difficulties with the proposal. As the proposed scheme for 2022/23 retains comparable levels of support to those in the 2021/22 scheme, it is considered unnecessary to undertake any further public consultation.

### **12.0 Appendices:**

None

### **13.0 Background Papers:**

None

### **Agreed and signed off by:**

Cabinet Lead: Narinder Bains – 13<sup>th</sup> October 21  
Director: Lydia Morrison – 13<sup>th</sup> October 21  
Monitoring Officer: Daniel Toohey – 24<sup>th</sup> September 21  
Section 151 Officer: Matthew Tiller – 18<sup>th</sup> October 21

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