

HAVANT BOROUGH COUNCIL

CABINET

14 December 2022

COUNCIL TAX SUPPORT SCHEME 2023/24 TO APPROVE

Portfolio Holder: Cllr Tony Denton

Key Decision: No

Report Number: HBC/105/2022

1.0 Purpose of Report

1.1 To recommend to Council the Council Tax Support Scheme for 2023/24

2.0 Recommendation

2.1 That Cabinet recommend to Council the following:

- 1) that the 2022/23 Council Tax Support Scheme is retained for 2023/24 but with the following amendments:
 - (i) the allowances and premiums used in determining entitlement for working age claims are uplifted in line with the figures applied by the Department for Works and Pensions, (DWP), for the Housing Benefit Scheme in 2023/24;
 - (ii) the non-dependant deductions used in determining entitlement for working age claims are adapted in line with the rates as set by the Department of Levelling Up, Housing and Communities for non-dependant pension age claims;
 - (iii) the Council continues to facilitate a Council Tax Support Hardship Fund
- 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 1/4/2013

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

- 3.3 This report puts forward a recommended approach for 2023/24 which is largely the same that was approved for 2022/23.

.4.0 Havant Borough Council's current scheme

- 4.1 HBC's current scheme is based on the Department of Levelling Up, Housing and Communities, (DLUC), 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 offers a slightly reduced level of support compared to the former council tax benefit scheme.
- 4.3 Since April 2022, following the COVID pandemic and related additional help through government funding, we saw a return to a reducing caseload both in working age and pensioners. However, we are fully aware with the cost-of living crisis worsening and the unprecedented times ahead, we are contemplating an increase in caseload, due to businesses failing and unemployment levels expected to rise.

Council Tax support scheme caseload and expenditure

	Cases as at 31 March	Amount of benefit paid	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	
2022/23	8451	£9,054,597	As at 31/08/22
2023/24	8516.est	£9,326,235	Estimated cost for the year

5.0 2022/23 scheme and Hardship Fund

- 5.1 The estimated cost of retaining the current scheme for 2023/24 is £9,326,235. This estimate assumes that the current caseload pattern continues for the remainder of 2022/23 and through 2023/24. 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 2023 as was levied in 1 April 2022.

- 5.2 Uprating is the process under which various elements, (Personal Allowances, Premiums and Non-Dependant deductions), are altered to reflect inflation and changes to the level of pensions and other benefits.
- 5.3 **Personal Allowances and Premiums** – the arrangements for pensioners within our scheme are prescribed by the DLUC and they will be advising Councils of the new figures that must be included in our scheme for 2023/24. 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 Department for Work and Pensions, (DWP), will be specifying for the Housing Benefit scheme for 2023/24. The DWP will advise councils of these in due course.
- 5.4 **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. DLUC 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 for pension age claims for 2023/24 are also adopted for working age claims for 2023/24. DLUC will advise councils of the amounts in due course
- 5.5 It is proposed that the Council continues to facilitate 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 of this fund will be circa £5,000

6.0 Background and relationship to Corporate Strategy, Climate & Environment Strategy and/or Business Plans

- 6.1 The Council Tax Support scheme provides financial assistance to those on low incomes. The proposed scheme retains comparable levels to last year, is consistent with National guidance and helps to support the most vulnerable members of our communities.

7.0 Resource Implications

- 7.1 *Financial Implications:*

Considering the assumptions as detailed in this report, the estimated cost of retaining the current Council Tax Support Scheme for 2023/24 is £9,326,235. Retaining the current scheme would require no increase in staffing or other administration costs

Section 151 Officer comments

Date: 5 December 2023

The base revenue budget for 2023/24 will be set on the assumption that the Council Tax Support Scheme, as detailed in this report, is approved by Council.

Budget allowance will also be made for the Council Tax Support Hardship Fund for 2023/24

7.2. Human Resources Implications:

There are no direct Human Resource implications arising from this report as existing staff are already in place to administer this scheme.

7.3 Legal Implications:

The Council has a statutory duty to operate a Council Tax Support scheme. Any changes to the current scheme for 2023/24 must be adopted by full Council by 11/03/2023.

Monitoring Officer comments

Date: 13.12.22

The Cabinet may authorise public consultation on policies within the Budget and Policy Framework (Constitution Part 2 Section D paragraph 12.1.2). The Cabinet is separately responsible for developing and reviewing Council policy (paragraph 10.3), Making, or revising the Council Tax Support Scheme is a Council function (Part 2 Section 1.1.10).

Accordingly, Full Council will in due course determine whether any changes to the Scheme will be made following and after consultation with the public and precepting authorities, as considered appropriate.

8 Risks:

A full Customer Impact Assessment of the proposed 2013/14 scheme was completed during 2012. The proposed scheme for 2023/24 differs only marginally from the 2013/14 scheme.

If the increase in caseload expected is greater than that used in the above calculations it will lead to an increase in the cost of the scheme. This is difficult to predict in the current economic climate as it is expected that due to the cost-of-living crisis worsening and the unprecedented times ahead, businesses may fail and an increase in unemployment is expected.

The Council will keep caseload and demand for this scheme under regular review and will report back through Cabinet and Council as part of routine budget monitoring.

9 Communications and Consultation:

Hampshire County Council will be advised of the proposed scheme for 2023/24 on behalf of the major precepting authorities. As the proposed scheme for 2023/24 retains comparable levels of support to those in the 2022/23 scheme, it is considered unnecessary to undertake any further public consultation.

Consultation has taken place with:

Portfolio Holder

Revenues and Benefits Contract Manager (Client)

Director of Corporate Services

Monitoring Officer

Head of Housing and Communities

Hampshire County Council will be made aware of the proposed scheme.

Appendices:

None

Background Papers:

2022/23 Council Tax Support Scheme: [Havant S13A 202223 Scheme Final](#)

Agreed and signed off by:

Portfolio Holder: Cllr Tony Denton

Monitoring Officer: Mark Watkins, Chief Legal Officer

Section 151 Officer: Malcolm Coe, Chief Finance Officer