

REPORT FROM: CHIEF FINANCE OFFICER

TO: SPECIAL BUDGET COUNCIL

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LOCALISATION OF SUPPORT FOR COUNCIL TAX SCHEME FOR 2022/23

PURPOSE OF REPORT

The purpose of this report is to seek the Council's approval to the Localised Scheme of Support for Council Tax for 2022/23.

RECOMMENDATIONS

That the Council Tax Support Scheme (Appendix A) and the Reduction in Council Tax Liability Policy (Appendix B) are approved for implementation from 1st April 2022.

REASONS FOR RECOMMENDATIONS

The Council is required to approve a local Council Tax Support Scheme (Appendix A) on or before 11th March each year and to maintain a Council Tax Liability Policy (Appendix B).

ISSUE

1. The Council implemented a local scheme of Council Tax Support in April 2013 in response to national changes instigated by the Government as part of its programme of welfare reforms and austerity measures. The local scheme replaced the national system of Council Tax Benefit and introduced Council Tax Support which operates as a discount applied to the recipient's Council Tax Bill.
2. Under the scheme requirements, set nationally, pensioner-age claimants are able to receive up to 100% support (subject to their means) which broadly replicates the provisions of the previous Council Tax Benefit scheme.
3. All Billing Authorities, such as Pendle are responsible for creating their own local scheme for working age claimants. All Councils are required to approve their local scheme of support annually by 11th March for the following financial year.

4. The proposed Scheme of Local Council Tax Support for 2022/23 includes the normal annual uprating of allowances and updates for changes to base and supporting legislation whilst retaining the same key policy principles as the existing scheme;
 - a. Every Working Age Claimant should pay something towards their Council Tax
 - b. Vulnerable Claimant continue to be protected
 - c. The scheme incentivises work
 - d. Everyone in the household who can contribute, should contribute
 - e. Better off claimants pay more so than the least well off receive greater protection
 - f. Benefit is not paid to those with large capital or savings
5. One key amendment follows The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022. The Regulations require that from 1 April 2022 all local council tax support schemes (including those for persons of working age as well as those of pension age) must disregard Energy Bills Rebate payments in determining a person's eligibility for a council tax reduction and the amount of any such reduction.
6. The Energy Bills Rebate is the £150 rebate for all Households in Council Tax Band A to D announced on 3rd February 2022. The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 were issued to Council's on Monday 13th February 2022 requiring changes to the Local Council Tax support scheme to be agreed by 11th March 2022. Further guidance is required before further steps can be taken to implement the Energy Bills Rebate scheme.
7. In addition to the above, each Council is required to maintain a policy which allows for taxpayers to apply for a reduction in Council Tax liability under S13A (1) (c) of the Local Government Finance Act 1992. The policy is included within Appendix B. This policy sets out the circumstances whereby a further reduction (if any) as the authority thinks fit can be awarded under those provisions. The main areas being in respect of Flooding and exceptional or unforeseen circumstances leading to evidence of hardship. There are no major changes to this Policy.

IMPLICATIONS

Policy: There are no new policy implications arising from the contents of this report.

Financial: As Council Tax Support is awarded as a discount against Council Tax liability, an amount equivalent to the cost of Council Tax Support Scheme is deducted from the Council's Taxbase (as set out in a report on the calculation of the Council's Taxbase for 2021/22 which was considered by the Council on 16th December 2021).

Legal: The statutory provisions for the introduction of the localised Council Tax Support Scheme are contained in the Local Government Finance Act 2012. The Council is required to approve the Council Tax Support Scheme by 11th March each year

Risk Management: There are no risk management issues arising from the contents of this report.

Health and Safety: There are no Health and Safety issues arising from the contents of this report

Sustainability: There are no sustainability issues arising from the contents of this report.

Community Safety: There are no community safety issues arising from the contents of this report.

Equality and Diversity: There are no new equality and diversity implications arising directly from the contents of this report. In compliance with the Council's duties on equality and diversity, the Council previously undertook a full equality impact assessment on the Council Tax Support Scheme. This was to determine, amongst other matters, whether any individuals or groups will be disproportionately affected by any changes when taking a decision on the final scheme.

APPENDICES

Appendix A –Council Tax Reduction Scheme (Schedule 13A and Schedule 1a of the Local Government Finance Act 1992)

Appendix B – Reduction in Council Tax Liability S13A (1) (c) Local Government Finance Act 1992)

LIST OF BACKGROUND PAPERS

None