

**REPORT FROM: DIRECTOR OF RESOURCES (INTERIM)**

**TO: SPECIAL BUDGET COUNCIL**

**DATE: 26<sup>th</sup> FEBRUARY 2024**

**Report Author: Damon Lawrenson**

**Tel. No: 01282 661867**

**E-mail: [Damon.Lawrenson@pendle.gov.uk](mailto:Damon.Lawrenson@pendle.gov.uk)**

## **LOCALISATION OF SUPPORT FOR COUNCIL TAX AND OTHER POLICIES FOR 2024/25**

### **PURPOSE OF REPORT**

The purpose of this report is to seek the Council's approval to the Localised Scheme of Support for Council Tax and other Collection Fund Policies for 2024/25.

### **RECOMMENDATIONS**

- 1 Approve the Council Tax Support Scheme (Appendix A) and the Reduction in Council Tax Liability Policy (Appendix B) for implementation from 1st April 2024.
- 2 Approve that war pensions should be fully disregarded as income when calculating entitlement to Housing Benefit.
- 3 Approve the Council Tax and Non Domestic Rates Enforcement Policies (Appendices D & E) from 1<sup>st</sup> April 2024.

### **REASONS FOR RECOMMENDATIONS**

- 1 The Council is required to approve a local Council Tax Support Scheme (Appendix A) on or before 11<sup>th</sup> March each year and to maintain a Council Tax Liability Policy (Appendix B).
- 2 To comply with the Department for Work and Pension request that each Local Authority has their Local Scheme approved each year.
- 3 To allow the continued effective enforcement of Council Tax and Non Domestic Rate debt.

## **ISSUE**

### **Localisation of Council Tax Support**

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 (**Appendix A**).

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 2023/24 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. 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.

### **Housing Benefit War Pension Disregard**

6. Housing Benefit and Council Tax Benefit (War Pension Disregards) Regulations in 2007 allows each local authority to determine whether certain war pensions should be fully disregarded as income.
7. Pendle Borough Council relied upon the resolution made at the original laying down of legislation to as evidence of this and had not reviewed or renewed this policy formally in some considerable time. The Department for Work and Pension has recently requested that each Local Authority has their Local Scheme approved each year so that clear guidance on the agreed approach is set out for both claimants and the Reporting Accountancy undertaking the Housing Subsidy review (normally External Audit).
8. The Housing Benefit Regulations currently require the Council to disregard £10 from any current payments of War Disablement and War Widows Pensions. Pendle Council has operated a local scheme that disregards 100% of this income and has copied this scheme design to its Local Council Tax Support scheme upon its introduction in 2013.
9. Subsidy arrangements mean that where a local amendment to the scheme is in operation, the local authority will only be compensated with 75% of any expenditure incurred up to a maximum of 0.2% of the total subsidy claimed in the relevant year.
10. In 2022-23 the full cost to the council was £4,112 with £12,335 of the total expenditure of £16,447 met through subsidy. The total number of claimants in receipt of the prescribed

incomes have fallen over the past 10 years with only 6 claims in the 2022-23 subsidy year benefiting from the policy. The detail is set out in **Appendix C**.

### **Discretionary Non-Domestic Rate Relief Policy**

11. This policy has been updated to reflect changes in reliefs granted to Non Domestic rateable properties, the detail is set out in **Appendix D**.

### **Council Tax and Business Rates Enforcement Policy**

12. These Policies have been reviewed with no significant changes. Both are included in **Appendix E & F**.

## **IMPLICATIONS**

**Policy:** As set out in the 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.

**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)

Appendix C - Housing Benefit War Pension Disregard

Appendix D - Discretionary Non-Domestic Rate Relief Policy

Appendix E – Council Tax Billing, Collection and Enforcement Policy

Appendix F - Business Rates Billing, Collection and Enforcement Policy

## **LIST OF BACKGROUND PAPERS**

None