

Report of the Deputy Chief Executive

LOCAL COUNCIL TAX SUPPORT SCHEME 2022/231. Purpose of report

To seek approval for arrangements to operate in 2022/23 in respect of the Local Council Tax Support Scheme (LCTSS).

2. Background

Members will recall that council tax benefit ceased at the end of 2012/13 and was replaced by a Local Council Tax Support Scheme defined by each Authority. Cabinet considered the LCTSS on 27 November 2012 and the new scheme was approved by Council on 19 December 2012. The new scheme was effectively the government's default scheme with due allowance being made to allow the continuation of the discretionary policy relating to the treatment of war pensions.

The current scheme allows for up to 100% of the council tax liability to be paid in council tax support. The majority of councils have not adopted this approach. Most have passed some of the reduction in funding on to LCTSS recipients. The council had benefitted from the overall bill for LCTSS falling from 2013/14 to 2016/17 as the numbers of claimants requiring support had reduced. Since 2017/18, the level of LCTSS has risen slightly each year, with a significant increase in 2020/21 as a result of the pandemic. The other increases can be attributed to the overall Council Tax charge, including those placed by other precepting authorities.

3. Financial implications

There are no direct financial implications arising from the proposals in respect of LCTSS. The 2022/23 budget will be set on the basis of existing estimates of take-up and collection.

Recommendation

The Committee is asked to RECOMMEND to Council that the current LCTSS remains in place for 2022/23.

Background papers

Nil

APPENDIX

1. Council Tax Support to Date

The Council has maintained a consistent approach to the administration of LCTSS, which has been influential in the continued high level of Council Tax collection. Many councils adopted schemes which required all those Council Tax payers receiving support to pay a minimum of 8.5% up to 100% of their liability.

In doing this, they have seen a significant increase in the number of small levels of Council Tax required to collect, with the associated costs that come with this approach. At Broxtowe, the methodology of continuing with a scheme, almost identical to Council Tax Benefit, has ensured a greater understanding for the people of the borough, whilst also seeing an improvement in relation to collection.

The estimated charge for the LCTSS in 2021/22 is £7,044,917. This is a reduction from 2020/21, which was high as a result of additional funding received to support households during the pandemic.

Year	LCTSS charge (£)
2020/21	7,889,034
2019/20	6,858,435
2018/19	6,786,378
2017/18	6,676,016
2016/17	6,661,822
2015/16	6,799,286

2. Proposals for 2022/23 Onwards

The current scheme has worked successfully with no administration issues. Although the overall LCTSS spend has increased, it is still felt that this outweighs the increase in expenditure that would be incurred in recovering or writing off small amounts of Council Tax charge.

From 2014/15 the LCTSS grant to local authorities has not been separately identified but has been subsumed within the overall funding assessment. The government has on several occasions indicated that it has made no moves to further reduce funding towards the LCTSS but this cannot be quantified due to the lack of a financial breakdown.

The issue to be resolved, therefore, is whether or not the Council wishes to change from the current arrangements to claw back some of the reduction in funding that the government is imposing. Any scheme changes would have to go through a formal consultation process and so a decision is required at the earliest stage, not only to complete the consultation, but to allow for the planning of any scheme changes within the system itself.