

Report of the Portfolio Holder for Resources and Personnel Policy

LOCAL COUNCIL TAX SUPPORT SCHEME 2023/241. Purpose of Report

To seek approval for arrangements to operate in 2023/24 in respect of the Local Council Tax Support Scheme (LCTSS).

2. Recommendation

Cabinet is asked to CONSIDER and RECOMMEND to Council that the current Local Council Tax Support Scheme remains in place for 2023/24.

3. Detail

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 local 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 local authorities 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 last and current financial years are showing a reducing spend. Further details are provided in the appendix to this report.

Should members wish to make any alterations then any scheme changes would have to go through a formal consultation process. This would require planning of an alternate scheme and consultation with constituents of the borough before the deadline of March 2023.

The Local Council Tax Support Scheme does not provide a direct cost to the Council. The Scheme is incorporated within the Council Tax Base calculation.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no direct financial implications arising from the proposals in respect of LCTSS. The revenue budget for 2023/24 will be set on the basis of existing estimates of take-up and collection.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

Under section 13A (2) of the Local Government Finance Act 1992, the Council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the Act.

Each financial year the Council must consider whether to revise its scheme, or to replace it with another scheme. The Council must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

Schedule 1A allows the Government to make regulations about the prescribed requirements for schemes and these are contained in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012/2885. Any scheme that the Council adopts must comply with these regulations.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

This report does not contain any OFFICIAL Sensitive information and there are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil

APPENDIX

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 local authorities 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. The methodology at Broxtowe of continuing with a scheme, almost identical to Council Tax Benefit, has ensured a greater understanding for residents of the Borough, whilst also seeing an improvement in relation to collection.

The estimated charge for the LCTSS in 2022/23 is £7,261,952, which is a reduction from 2021/22.

Year	LCTSS charge (£)
2021/22	7,304,375
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

Proposals for 2023/24 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.