

Council Tax Reduction Scheme 2022-2023

Final Decision-Maker	Council
Lead Head of Service	Stephen McGinnes, Director Mid Kent Services
Lead Officer and Report Author	Sheila Coburn, Head of Mid Kent Revenues and Benefits
Classification	Public
Wards affected	All

Executive Summary

- 1.1 Each year Full Council has to approve the Council Tax Reduction Scheme for the following year.
- 1.2 Were changes to be proposed, it would be necessary for a public consultation to take place. A decision needs to allow time for this step if necessary.
- 1.3 This report makes a recommendation on the scheme to be implemented for 2022-23.

Purpose of Report

To recommend no changes are made to the current Council Tax Reduction Scheme. For Council to adopt the Council Tax Reduction Scheme for 2022-23.

This report makes the following recommendations to this Committee:

1. That Policy & Resources Committee notes the progress of the inaugural year of the income banded Council Tax Reduction Scheme.
2. That the Committee recommends to Council that no changes are made to the Council Tax Reduction Scheme for 2022-2023 for the reasons stated in this report.

Timetable

Meeting	Date
Corporate Leadership Team	5 October 2021
Policy and Resources Committee	24 November 2021
Council	8 December 2021

Council Tax Reduction Scheme 2022-2023

2. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. The Council needs to balance the needs of low-income households with the wider interest of local taxpayers to ensure that vulnerable residents are protected whilst providing a scheme that is affordable.	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Cross Cutting Objectives	The report recommendations support the achievement of Deprivation and Social Mobility.	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Risk Management	Refer to Paragraph 6 of this report	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Financial	CTR reduces the amount of Council Tax that can be collected. The total cost of the scheme is met by the Council and preceptors.	Maxine Mahon, Finance Team
Staffing	No impact	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Legal	Section 13A of the Local Government Finance Act 1992 requires the Council to adopt a Council Tax Reduction Scheme. Schedule 1A of the Act requires the Council to consider whether to revise or replace its scheme for each year. If there are changes proposed for the 2022-2023 scheme the Act contains a statutory duty to consult on a proposed scheme, with guiding principles for fair consultation set out in case law.	Jayne Bolas, Mid Kent Legal Services

	Consideration must be given to the findings of the consultation and equality impact assessment in reaching a decision. At this stage there are no direct consequences arising from the recommendation that adversely affect individuals rights and freedoms as set out in the Human Rights Act 1998. Potentially consequences could arise in the future implementation of the Scheme that would need to be evaluated at the time	
Privacy and Data Protection	The data will be held and processed in accordance with the data protection principles contained in Schedule 1 to the Data Protection Act 1998.	Policy and Information Team
Equalities	An Equalities Impact Assessment is not required as no changes are proposed to the scheme. However, a further Equalities Impact Assessment will be carried out as part of a wider review of the Scheme.	Senior Policy and Equalities Officer
Public Health	No impact	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Crime and Disorder	No impact	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Procurement	No impact	Sheila Coburn, Head of Mid Kent Revenues and Benefits Partnership
Biodiversity and Climate Change	There are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

3. INTRODUCTION AND BACKGROUND

3.1 The Council Tax Reduction Scheme (CTRS) was introduced in April 2013 as a replacement for Council Tax Benefit (CTB), a national scheme

administered on behalf of the Department for Works and Pensions (DWP).

- 3.2 Each year the scheme must be approved by Full Council.
- 3.3 Any changes to the scheme for any year have to go for public consultation before being approved.
- 3.4 Since its introduction in April 2013, our local scheme has been 'refreshed' annually for general changes in applicable amounts (primarily in relation to disability premiums) and taking into account the introduction of Universal Credit.
- 3.5 Under the Council Tax Reduction provisions, the scheme for pensioners is determined by Central Government and the scheme for working-age applicants is determined by the Council.
- 3.6 Council Tax Reduction provides financial assistance in the form of a rebate on the Council Tax bill and this generally reduced over recent years before the COVID pandemic.

2016/2017	£10,679,971
2017/2018	£10,264,000
2018/2019	£ 9,058,176
2019/2020	£ 8,652,758
2020/2021	£ 9,499,392
2021/2022	£ 9,945,451 (estimated)

- 3.7 The introduction of Universal Credit Full Service (UCFS) on 21 November 2018 brought a number of challenges to both the administration of Council Tax Reduction and also the collection of Council Tax.
- 3.8 The number of changes that customers have to Universal Credit meant there were constant amendments to Council Tax liability, meaning re-calculation of instalments, delays and the re-issuing of Council Tax bills.
- 3.9 From April 2021, a new income banded scheme was introduced which has an in-built, simplified claiming process with wide income ranges.
- 3.10 As with the previous scheme, working-age applicants, irrespective of their financial circumstances, are required to pay a minimum of 20% towards their Council Tax liability.
- 3.11 The new banded scheme means that frequent liability changes have been avoided, and revised bills are only being issued where income crosses into another earnings band.
- 3.12 This has made it less cumbersome for customers and has allowed us to convey a relatively simple eligibility message to residents.

- 3.13 Feedback from the Customer Services team and Citizens Advice has been positive with fewer enquiries being made about eligibility and understanding of the income banded scheme.
- 3.14 Table 1 shows the income banded scheme for households with no children, 1-2 children and 3 plus children:

Table 1

Band	Household size and earnings threshold			Maximum Award
	No children	1-2 children	3+ children	
Band 1	Passported/ max UC	Passported/ max UC	Passported/ max UC	80%
Band 2	Less than £316	Less than £387	Less than £441	65%
Band 3	£316-£631.99	£387-£774.99	£441-£882.99	50%
Band 4	£632-£947.99	£775-£1,162.99	£883-£1,324.99	25%
Band 5	£948-£1,263.99	£1,163-£1,550.99	£1,325-£1,766.99	10%

- 3.15 Passported in the table refers to legacy benefits (job seekers allowance, Income support, employment support allowance) for customers who have not migrated to Universal Credit.

4. AVAILABLE OPTIONS

- 4.1 Option 1 – maintain current scheme. The new income banded scheme has so far been successful but is still in its first year. To consider introducing any amendments to the scheme whilst not having completed a full year would not be advisable.
- 4.2 Option 2 – revise the current scheme. Any revisions to the scheme would at this stage be limited, difficult to identify and implement at this early stage of not having completed a full year of the new income banded scheme.

5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 5.1 Option 1 – This is the first year of the income banded scheme and it may be advisable for a full year to be completed before considering any changes.
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6. RISK

- 6.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 It is intended that a recommendation from Policy & Resources Committee on the final scheme to be implemented will be taken to Council for decision on 8 December 2021.
- 7.2 The final decision at Council will be notified to those households affected and key stakeholders.
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8. REPORT APPENDICES

None.

9 BACKGROUND PAPERS

Maidstone Council Tax Reduction Scheme 2021-22: [Maidstone S13A Scheme 202122 v6.](#)