

TRAFFORD COUNCIL

Report to: Executive
Date: 24 January 2022
Report for: Decision
Report of: Executive Member for Finance and Governance

Report Title

Council Tax Support (CTS) Scheme for 2022/23 and Council Tax Hardship Fund

Summary

There is a legal requirement to formally approve the Council's local CTS scheme before the start of each financial year. It is proposed that the scheme remains as is, only changing to reflect the national changes to income related benefits as already agreed in 2016.

The Council Tax Hardship Fund was a separate scheme, funded separately with separate decision making. This temporary scheme will come to an end on 31 March 22 in line with the government funding, unless further funding is received. All affected claimants will receive correspondence relating to this as part of the annual notification process and will be signposted to relevant information, advice and debt agencies.

Recommendation(s)

That the Executive agrees the Council Tax Scheme 2022-23 and Council Tax Hardship Fund proposals detailed in the report and recommends the approval and adoption of such to Council as part of the budget setting process.

Contact person for access to background papers and further information:

Name: Louise Shaw
Contact Number: 07815 699615

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Health and Wellbeing and Targeted Support
Relationship to GM Policy or Strategy Framework	Safer and Stronger Communities
Financial	The existing Council Tax Support scheme is already funded by the Council and the changes proposed are not expected to have a direct impact on the cost of the scheme, although it is accepted that the scheme costs have increased significantly in response to COVID-19
Legal Implications:	The Council has to formally set its local CTS scheme before the start of the following financial year in order for the scheme to be formally adopted for 2022/23. This is in accordance with the Local Government Act 2012.
Equality/Diversity Implications	The minor amendments proposed are not considered to have any significant effect on any groups.
Sustainability Implications	None
Resource Implications e.g. Staffing / ICT / Assets	None.
Carbon Reduction	None
Risk Management Implications	None
Health & Wellbeing Implications	None
Health and Safety Implications	None

1.0 Background

- 1.1 In April 2013, following the abolition of Council Tax Benefit (CTB) which was a national scheme funded by a central government grant, the Council implemented its local Council Tax Support (CTS) Scheme for working age claimants. This scheme has been updated annually since this date as required by the legislation.
- 1.2 There are 13.2k Trafford residents in receipt of CTS, 39% of CTS claimants are pensioners and therefore receive Council Tax Support under previous (CTB) legislation and are not affected by the local scheme.
- 1.3 Prior to the COVID-19 pandemic, the cost of the core CTS scheme was approximately £11.2m per annum, however has since increased to £12.9m as at December 2021. This additional cost is largely due to an increase in the claim value and the number of working age residents requiring financial support. The Government anticipated an increase in these claims and awarded the Council a one off grant in 2021/2022 of £1.6m to offset these costs. No further grant resource has been made available in 2022/2023 as the Government expects claims for core CTS to revert to pre-pandemic levels. However, as part of the preparations for the 2022/2023 budget a local decision has been made for an additional £500k to be included in our plans, should CTS claims not reduce proportionately.

- 1.4 In addition to the core CTS, the Council introduced a one-off Covid-19 Council Tax Hardship Fund in 2020/2021. This additional scheme provided further relief during the height of the pandemic and again was funded from a one-off Government Grant. An underspend on the Hardship Grant in 2020/2021 allowed sufficient resource of £1.02m to be rolled over and for the scheme to be extended for a further year until 31 March 2022. As the resource is one-off in nature the Hardship component of the scheme will end on 31 March 2022.

2.0 Introduction

- 2.1 Each year, the Council has to formally approve its CTS scheme for the following financial year, legislatively before the 31 March, practically, before the annual Council Tax billing exercise takes place.
- 2.2 Therefore, each year the billing authority must consider whether to revise its local CTS scheme or to replace it with another scheme.

3.0 CTS 2022-23 Scheme and Council Tax Hardship Fund Proposals

- 3.1 It is proposed that the main existing scheme remains as is, only changing to align to any changes in national benefits as already agreed in 2016, in respect of the 2017-18 scheme and onwards.
- 3.2 The Covid-19 Council Tax Hardship Fund is a separate scheme and the Council made the decision to provide additional support towards claimants already in receipt of some, but not all, help towards Council Tax. This was a temporary fund met from unspent Government grant support received in 2020/2021, which is currently due to end on 31 March 2022 and sits outside the CTS scheme decision making process.
- 3.3 The 2022-23 CTS scheme will take effect from 1 April 2022. All claimants who will cease receiving the temporary Covid-19 Council Tax Hardship award from this date will be notified of this separately and sign posted to information, advice and debt agencies if they require support.

4.0 Public Consultation

- 4.1 As there are no proposed changes to the existing CTS scheme and we have previously consulted where changes have been proposed, there is no requirement to consult to retain the existing scheme

Other Options

The Council could have decided to change the scheme for 22/23 in particular in light of the financial challenges it faces, however, this would potentially mean that residents on benefits and/or a low income would be asked to pay Council Tax for the first time, or more Council Tax than they do now, at a time when residents are facing financial uncertainty.

Reasons for Recommendations

That the Executive agrees the Council Tax Scheme 2022-23 and Council Tax Hardship Fund proposals detailed in the report and recommends the approval and adoption of such to Council as part of the budget setting process.


Key Decision: Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance GB

Legal Officer Clearance DS

[CORPORATE] DIRECTOR'S SIGNATURE

(*electronic*)..... 

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.