

TRAFFORD COUNCIL

Report to: Executive
Date: 26 October 2020
Report for: Decision
Report of: Executive Member for Finance and Investment

Report Title

Council Tax Support (CTS) Scheme for 2021/22

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, therefore no public consultation is required.

Recommendation(s)

That the Executive recommends that Full Council adopts the Council Tax Support (CTS) scheme currently in operation, updating in line with national benefits as previously agreed for 2021/22.

Contact person for access to background papers and further information:

Name: Louise Shaw
Extension: 3120

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Health and Wellbeing and Targeted Support
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 2021/22. 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.
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, 41% 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 The scheme costs have accelerated since the lockdown restrictions started in March 2020 and are currently at c£12.3m, which is c£1.1m per annum more than the Council budgeted for. The increase is due to a combination of the number of working age residents requiring financial support as well as the level of CTS awards for 20-21 having increased following the government announcement of the Council Tax Hardship Fund for 20-21, a one-off grant.

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 2021-22 Scheme

3.1 It is proposed that the 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 2021-22 scheme will take effect from 1 April 2021.

4.0 Public Consultation

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

Other Options

The Council could have decided to change the scheme for 20/21 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

The recommendations are set out at the start of this report.

Key Decision: No
If Key Decision, has 28-day notice been given? No

Finance Officer Clearance **NB**
Legal Officer Clearance **TR**

[CORPORATE] DIRECTOR’S SIGNATURE

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