

Council Tax Support Scheme 2023/24

REPORT TO EXECUTIVE



DATE	13 February 2023
PORTFOLIO	Resources and Performance Management
REPORT AUTHOR	Howard Hamilton-Smith
TEL NO	01282 477173
EMAIL	Hhamilton-smith@burnley.gov.uk

PURPOSE

1. To present the findings of the Council Tax Support Scheme consultation with regards to temporarily increasing the maximum level of subsidy for working age claimants, from 85% to 100%, for the 2023/24 scheme only.

RECOMMENDATION

2. That the Executive recommends that Full Council approves and adopts changes to the Council Tax Support Scheme for 2023/24 to increase the maximum level of subsidy for working age claimants from 85% to 100% for a one-year period.

REASONS FOR RECOMMENDATION

3. To provide temporary support, by increasing the level of subsidy to a maximum of 100%, for eligible working age claimants within the Council's Council Tax Support Scheme for 2023/24 to help alleviate some of the financial hardship caused by the cost-of-living crisis.

SUMMARY OF KEY POINTS

4. Council Tax Support Scheme

The Council Tax Support Scheme replaced Council Tax Benefit in April 2013. The Local Government Finance Act 2012 created the provision for local authorities to create their own local scheme to replace the national Council Tax Benefit scheme. Pensioners were protected from any reduction in Council Tax Support.

5. The government's policy objective in localising support for Council Tax were to:
 - Give local authorities a greater stake in the economic future of their local area,
 - Give local authorities the opportunity to reform the system of support for working age claimants,
 - Reinforce local control over Council Tax, and
 - Give local authorities a financial stake in the provision of support for Council Tax.

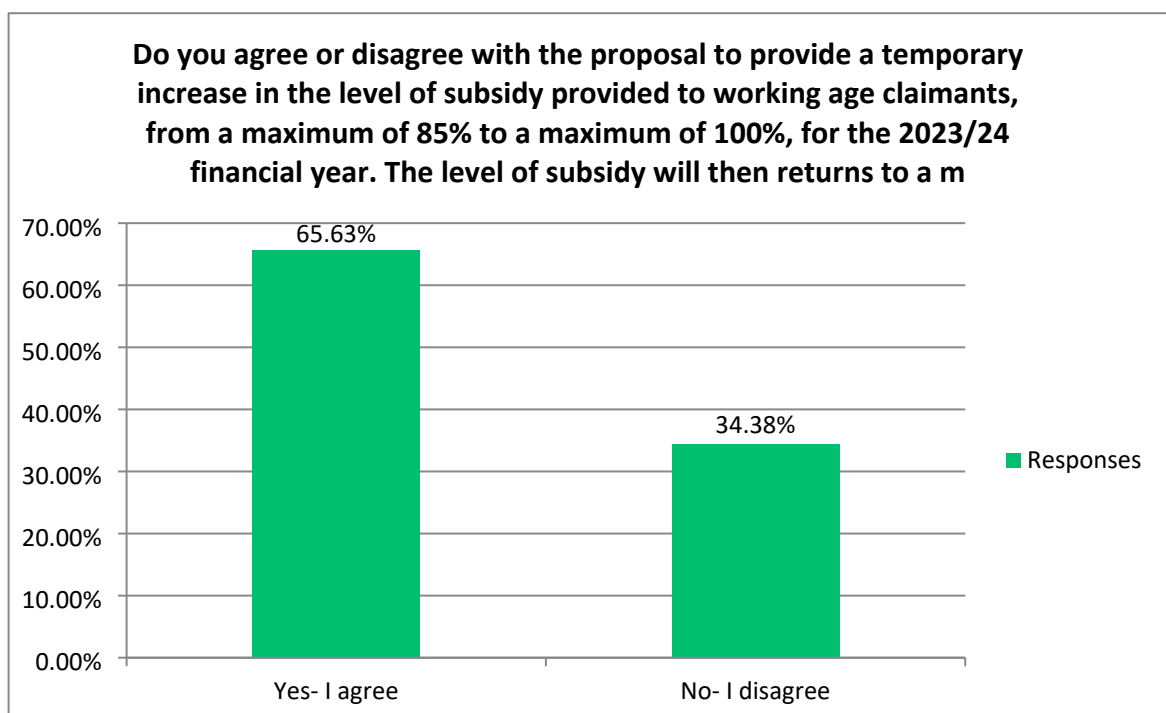
6. There are currently 9,869 households claiming Council Tax Support in Burnley; 2,936 (30%) are pensioners and 6,933 (70%) are working age. Pensioners are protected under government legislation and continue to receive Council Tax Support at the same level as they did under the Council Tax Benefit rules, up to a maximum of 100%.
7. Working age claimants previously on full Council Tax Benefit currently receive up to a maximum of 85% subsidy on their bill and are being asked to pay a minimum of between £161 for a single person and £215 per year for a standard bill for a Band A property (15%). Information held confirms that 71% of taxpayers in this category are paying their Council Tax on time with the remainder collected through our normal recovery processes over a longer period.
8. An 8-week public consultation process was carried out in November/December 2022 on the temporary changes to the scheme. This included consulting with the Council's major preceptors.

Consultation

9. A public consultation began on Thursday 10th November 2022 and lasted for an 8-week period up until Wednesday 4th January 2023. This included consulting with the Council's major preceptors.
10. The wording of the consultation questions and results are detailed in appendices 1 and 2 respectively. The main question was:

“Do you agree or disagree with the proposal to provide a temporary increase in the level of subsidy provided to working age claimants, from a maximum of 85% to a maximum of 100%, for the 2023/24 financial year. The level of subsidy will then return to a maximum of 85% from 2024/25“

11. There were in total 32 respondents to the survey. The results of the survey to the main question were as follows:



12. A summary analysis of the respondents is below:
 - 32 responses were received. Of this, 18 declared they were current claimants, while 12 said they were not (3 chose not to declare their status).
 - Overall, 66% of the respondents agreed to the proposal. 34% were against.
13. The full results of the survey are included in appendix 2.
14. Based on the feasibility of the proposals and the results of the consultation, it is recommended that temporary changes to the Council Tax Support Scheme as outlined in the report are approved.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

12. The cost of increasing the Council Tax Support subsidy for working age claimants from a maximum of 85% to a maximum 100% is estimated to cost £134k in 2023/24. It is proposed that the one-off cost is funded from the Revenue Support Reserve.

POLICY IMPLICATIONS

13. These changes would result in temporary policy amendments for the Council Tax Support scheme.

DETAILS OF CONSULTATION

14. Formal consultation as detailed in the report.

BACKGROUND PAPERS

15. None

FURTHER INFORMATION

PLEASE CONTACT:

**Howard Hamilton-Smith
Head of Finance and Property**