

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 11

meeting date: 17 NOVEMBER 2020
title: LOCAL COUNCIL TAX SUPPORT SCHEME 2021/22
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

- 1.1 To recommend our Local Council Tax Support (LCTS) scheme for 2021/22 to Full Council.
- 1.2 To consider whether to continue to award further £150 Council Tax hardship payments after our allocation has been fully spent.

2 BACKGROUND AND INFORMATION

- 2.1 You will recall that, as part of the package of welfare reform measures, the Government decided to abolish Council Tax Benefit from 1 April 2013 and replace it with locally determined schemes of council tax support. In doing so the Government reduced the funding available, to local councils to pay for this support, from 100% subsidy to a grant of only 90%. This grant was rolled into mainstream local authority funding which has since been reduced significantly
- 2.2 The Council agreed a Local Council Tax Support Scheme which came into effect on 1 April 2013. Our scheme matched the previous Council Tax Benefit scheme but was set to cap the maximum reduction in support for working age claimants to 12% each year. Late in the day the Government announced a one off transition grant for those authorities who agreed to set the maximum reduction at 8.5%. This Council agreed to accept the grant and hence limit the reduction to 8.5% for 2013/14. As the transition grant was for one year only however our reduction in support to working age claimants reverted back to the agreed percentage set of 12%. We consulted extensively on this scheme and it was broadly supported.
- 2.3 Our scheme is 147 pages long and can be found at the following link www.ribblevalley.gov.uk/counciltaxsupport. Each billing authority is required to consider the scheme that it has in place each year and the position across Lancashire is as follows:

	LCTS Reduction 2020-21
Blackburn	20%
Blackpool	27.11% but protected groups 13.56%
Burnley	16%
Chorley	0%
Fylde	22.70%
Hyndburn	30%
Lancaster	0%
Pendle	30%
Preston	20%
Ribble Valley	12%
Rossendale	20%
South Ribble	£3.50 per week (equivalent to approximately 20%) in work and 0% non-working
West Lancs	22%
Wyre	8.50%

2.4 The Local Government Finance Bill imposes a duty on billing authorities to consider whether to revise or replace its scheme by **11 March (changed from 31 January in 2018) each year** and to consult with major precepting authorities i.e. LCC/Fire and Police authorities and other persons likely to have an interest in the scheme if any significant changes are proposed.

3 OUR SCHEME

3.1 The first bills containing Local Council Tax Support were issued in March 2013.

3.2 Our scheme has been updated by minor amendments each year to maintain the link with Housing Benefit and the previous Council Tax Benefit scheme.

3.3 We currently grant approximately £1.06 million in LCTS to 1,012 pensioners and £1,113 million to 1,286 working age claimants.

4 REVISING OUR SCHEME FOR 2021/22

4.1 Members need to make a final decision on our scheme for 2021/22 in order to make a recommendation to Full Council.

4.2 We are not proposing any significant changes other than Maintaining and Uprating Income disregards, non-dependent deductions, applicable amounts and premiums in line with Housing Benefit as we do each year.

5 COUNCIL TAX COVID 19 HARDSHIP FUND 2020-21

5.1 The Government announced a £500 million hardship fund at the Budget in March to deliver relief to Council Tax payers.

5.2 Ribble Valley Borough Council was allocated £222,053 based on our share of the national caseload for working age Local Council Tax Support (LCTS) recipients at 31 December 2019.

5.3 The Government indicated that it had a strong expectation that Local Authorities would provide all recipients of working age LCTS in 2020-21 with a further £150.00 reduction in their annual bill. Additional relief could then be determined locally if local authorities expected the funds provided would more than match the minimum reduction.

5.4 We identified immediately that it was likely that our allocation would only just cover the usual caseload that we experience in any given year; as caseload figures on any given day do not provide the full picture of the number of recipients over a full year.

5.5 Our working age caseload has subsequently increased as a result of the Covid19 pandemic from 1,028 on 31 December 2019 to 1,286 currently i.e. an increase of 258 or 25.1%. We also anticipate that this is likely to continue to rise over the coming months.

5.6 The table below shows that we have currently awarded £209,149.29 to working age LCTS recipients leaving a balance of £12,903.71 remaining.

LCTS Hardship	Awarded	Increase	Balance
			£222,053.00
01/05/2020	£148,814.57		£73,238.43
01/06/2020	£178,886.36	£30,071.79	£43,166.64
01/07/2020	£190,898.38	£12,012.02	£31,154.62
01/08/2020	£195,892.95	£4,994.57	£26,160.05
01/09/2020	£199,557.26	£3,664.31	£22,495.74
01/10/2020	£204,125.73	£4,568.47	£17,927.27
01/11/2020	£209,149.29	£5,023.56	£12,903.71

- 5.7 The Government indicated that this funding was limited as it expected that local authorities would have more than enough funding to cover the minimum award. We along with other local authorities have made representation to the Government requesting additional funding and we understand that this is something currently under consideration.
- 5.8 Based on the current demand for awards is it likely that our allocation will be spent in full by 31 December 2020, and possibly sooner if there is a further increase in the number of new claims as a result of the national lockdown.
- 5.9 A decision is required as to whether we should continue to make these awards once our allocation is spent or cease them at that time. Whilst the Council has received unringfenced emergency funding for Covid-19 pressures it was anticipated that the Government funding provided would more than cover the cost of the minimum award.
- 6 RECOMMEND THAT COMMITTEE
- 6.1 Recommend to Full Council the approval of our local council tax support scheme for 2021/22 as set out in the report.
- 6.2 Agree to continue to award the minimum £150 hardship payments to eligible Council Tax payers and lobby the Government to reimburse us accordingly.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF33-20/ME/AC
4 November 2020

For further background information please ask for Mark Edmondson