



PART B: RECOMMENDATIONS TO COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 11 NOVEMBER 2021

**REPORT OF THE: SECTION 151 OFFICER
ANTON HODGE**

**TITLE OF REPORT: LOCALISATION OF COUNCIL TAX SUPPORT
2022/2023 SCHEME**

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This reports seeks approval of the final scheme for 2022/2023 following consultation with both the major preceptors and public. There are no changes proposed to the scheme which has operated in 2021/2022.

2.0 RECOMMENDATIONS

2.1 That members recommend to Council

- (i) a Local Council Tax Support Scheme for 2022/2023 which is unchanged from 2021/2022; and
- (ii) to authorise the Section 151 Officer in consultation with the Chair of Policy and Resources Committee to undertake the necessary consultation work to design a scheme for 2023/2024.

3.0 REASON FOR RECOMMENDATIONS

3.1 The Council must approve a scheme for 2022/2023.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks in approving the scheme as recommended

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 **Our communities, strong, inclusive, attractive – Help for those in need.** We will tackle homelessness, rough sleeping and poverty by providing services in partnership with others to prevent homelessness. We will offer advice, support and budgeting assistance to those who need it, helping them to manage their finances, ensuring they can access Citizens' Advice services and working with the credit union to promote access to small loans. We will also act promptly to process benefit applications.
- 5.2 The Council will need to approve a Local Scheme for Council Tax Support (CTS).

6.0 REPORT DETAILS

- 6.1 The current Council Tax Support Scheme (CTS) is an Income Banded Scheme to help residents on low incomes and the most vulnerable to pay their Council Tax bill.
- 6.2 The Council Tax Support Scheme is the second year since the scheme was introduced and was changed from the traditional complex means tested benefit to the current more simplified scheme. The current scheme provides that all working age residents can receive a maximum award of either 100%, 75%, 50%, 25% or 0% towards their Council Tax bill.
- 6.3 The introduction of the current scheme has been successful; the simplicity of the scheme makes it easy to understand for our residents and easier to administer for Council Officers.
- 6.4 The current scheme supported residents of Ryedale during the Covid-19 pandemic, it made the application process simple for the increased number of residents who had to claim Universal Credit for the first time and for those residents who were placed on the Job Retention Scheme by their employers.
- 6.5 The scheme affects all precepting authorities (District Councils, County Councils, Fire Authorities, Police Authorities and Parish Councils) through the Council Tax Base (CTB) which is reduced by the cost of the scheme.
- 6.6 The following table sets out the current claimant breakdown of the 2021/2022 Local Council Tax Support Scheme:

Claimant Type	Number	Annual Cost	% total spend
1. Pensionable	1570	£1717k	49%
2. Passported	425	£459k	13%
3. Single	378	£516k	15%
4. Couple	79	£89k	3%
5. Family + 1	260	£260k	7%
6. Family + 2	372	£432k	13%
	3084	£3473k	

- 6.7 The Council must now consider a scheme for 2022/23. In order to inform this process a consultation has taken place on the options for changing the scheme to increase the number of children included in the household and to increase the current backdate rule. Public Consultation took place between 12 August 2021 and 12 September 2021 via the Council's website. Eighty Six responses were received to the questionnaire.

- 6.8 The consultation was published via media release, social media, advert in On Your Doorstep (delivered to 26,000 Ryedale households), information and posters provided to Community Connect partners and town/parish council clerks, and boosted social media posts.
- 6.9 The Council has undertaken a public consultation contacting key stakeholders as well as the general public through the Council's website. A total of 86 responses were received to the consultation which gave good coverage from both rural and town communities across the district. The consultation received a positive response which saw a significant increase of 54 responses (168%) more than the 32 responses received to the consultation last undertaken in 2019. The results of the consultation are attached at Annex A. The key messages of that consultation are:
- Of the 86 responses 77% were in favour of no change to the current scheme;
 - 48% of the responses were in favour of keeping the current one month backdate rule;
 - There are a number of open ended 'comments' made, the responses are available should members want to view them.
- 6.10 Work on the proposed Council Tax Support Scheme for 2022/23 has included a detailed modelling analysis of the cost implications based on the current caseload. Details of this analysis can be found at Annex B.
- 6.11 Ryedale District Council – Proposed Council Tax Support Scheme - Income Banded Scheme 2022/2023, the current income bands will be increased in line with the rate of CPI (Consumer Price Index) which is currently 1%.

Council Tax Reduction Level	Passported	Single £	Couples £	Family with one Child £	Family with two or more Children £
Band A – 100%	Relevant Benefit	0.00 to 111.00	0.00 to 162.00	0.00 to 212.00	0.00 to 263.00
Band B – 75%	N/A	111.01 to 152.00	162.01 to 202.00	212.01 to 253.00	263.01 to 303.00
Band C – 50%	N/A	152.01 to 202.00	202.01 to 253.00	253.01 to 293.00	303.01 to 343.00
Band D – 25%	N/A	202.01 to 253.00	253.01 to 303.00	293.01 to 343.00	343.01 to 384.00

- 6.12 The proposed scheme would continue to deliver many benefits to the residents of the District.
- (a) It provides a simpler scheme which can be easily understood by all applicants;
 - (b) It supports the most vulnerable within the district;
 - (c) It saves significant increases in administration costs due the increased roll out of Universal credit;
 - (d) It prevents applicants receiving multiple Council Tax demand notices during the year and prevents multiple changes to monthly instalments and
 - (e) It reduces Council Tax arrears

- 6.13 For 2022/23, year 10, there is again a mixed picture of approaches from Local Authorities across North Yorkshire. Proposed 2022-23 schemes showing the maximum support available within the North Yorkshire Districts are as follows:

Local Authority	2022/2023	2021/2022
Craven	90%	90%
Hambleton	Banded scheme 90%	Banded scheme 90%
Harrogate	100%	100%
Richmondshire	Banded scheme 100%	85%
Ryedale	Banded scheme 100%	Banded scheme 100%
Scarborough	87.5%	87.5%
Selby	Banded scheme 100%	Banded scheme 100%
York	77.5%	77.5%

- 6.14 Those with the greater cuts have generally seen the greatest impact on collection rates and increased administrative costs, as well as the impact on claimants. The billing authority (RDC) alone bears these increased administrative costs.
- 6.15 The scheme for Pension Age Applicants is set by Government.
- 6.16 Proposals within this report set the scheme for 2022/23 only. Authorities are permitted to revise their scheme no more frequently than annually. A scheme for 2023/2024 will be considered during next year.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:

- a) Financial
Any risk around the cost of the scheme is shared proportionally between the major preceptors through the collection fund. If the scheme costs more than predicted the collection fund may be into deficit and this would need resolving in the 2023/2024 budget.
- b) Legal
The scheme is a detailed legal document of the Council which will only require minor amendment as a result of changes to legislation. The amendments over which the Council has discretion are included in the report
- c) Equalities – The application process has been prepared in the context of the Equality Act 2010. The Act provides the legal framework to protect the rights of individuals and advance equality of opportunity for all.
- d) Climate Change - there are no direct Climate Change implications associated with this report.

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Background Papers:

<https://www.ryedale.gov.uk/resources/council-tax-reduction-scheme/>

<https://democracy.ryedale.gov.uk/documents/s53689/Part%20B%20-%20s151%20-%20Localisation%20of%20Council%20Tax%20Support%20Scheme%20Report%202021-22.pdf>