



PART B: RECOMMENDATIONS TO COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 12 NOVEMBER 2020

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

**TITLE OF REPORT: LOCALISATION OF COUNCIL TAX SUPPORT
2021/2022 SCHEME**

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This reports seeks approval of the final scheme for 2021/2022. There are no changes proposed to the scheme which has operated in 2020/2021.

2.0 RECOMMENDATIONS

2.1 That members recommend to Council

- (i) a Local Council Tax Support Scheme for 2021/2022 which is unchanged from 2020/2021; and
- (ii) to authorise the Section 151 Officer in consultation with the Chairman of Policy and Resources Committee to undertake the necessary consultation work to design a scheme for 2022/2023, in light of the experience in previous years, to be presented to Policy and Resources Committee in November 2021.

3.0 REASON FOR RECOMMENDATIONS

3.1 The Council must approve a scheme for 2021/2022.

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 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 current scheme provides that all working age customers can receive a maximum award of either 100%, 75%, 50%, 25% or 0% towards their Council Tax bill.
- 6.3 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.
- 6.4 The following table sets out the estimated claimant breakdown for 2020/2021:

Claimant Type	Number	Annual Cost	% total spend
1. Pensionable	1466	£1696k	49%
2. Passported	374	£475k	14%
3. Single	577	£503k	15%
4. Couple	96	£104k	3%
5. Family + 1	258	£240k	7%
6. Family + 2	397	£400k	12%
	3168	£3418k	

- 6.5 The Council must now consider a scheme for 2021/2022.
- 6.6 Ryedale District Council – Proposed Council Tax Support Scheme - Income Banded Scheme 2021/2022, 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

- 6.7 The 2021/2022 scheme would continue to deliver a number of benefits to the residents of the District.
- (a) It will continue to provide a simpler scheme which can be easily understood by all applicants;
- (b) It will continue to support the most vulnerable within the district;
- (c) It will continue to save significant increases in administration costs due the introduction and increase uptake of Universal Credit;
- (d) It will continue to prevent multiple changes to monthly instalments which in turn

prevents applicants receiving multiple Council Tax demand notices throughout the year.

(e) It will continue to deal with large volumes of claims received from Universal Credit in an effective and timely manner.

(f) It will reduce Council Tax arrears

(g) The most vulnerable aren't affected

- 6.8 For 2021/2022, year 9, there is again a mixed picture of approaches from Local Authorities. Proposed 2021-2022 schemes within the North Yorkshire Districts are as follows:

	2021/2022	2020/2021
Craven	10%	10%
Hambleton	Banded scheme 90%	Banded scheme 90%
Harrogate	0%	0%
Richmondshire	15%	15%
Ryedale	Banded scheme 100%	Banded scheme 100%
Scarborough	12.5%	12.5%
Selby	Banded scheme 100%	Banded scheme 100%
York	22.5%	22.5%

- 6.9 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.
- 6.10 Sixty Three Local Authorities nationally introduced an Income Banded Council Tax Support Scheme with effect from April 2020. It is the expected that this number will increase to over 100 Local Authorities with effect from April 2021.
- 6.11 The scheme for Pension Age Applicants is set by Government.
- 6.12 Proposals within this report set the scheme for 2021/2022 only. Authorities are permitted to revise their scheme no more frequently than annually. A scheme for 2022/2023 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 2022/2023 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) Other
All other impact is covered in the report

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Background Papers:

[I:\Council Tax Support\Ryedale Scheme 2020-2021\Scheme\Ryedale CTR Scheme 2020 Final.pdf](#)