

**Meeting:** Cabinet  
Council

**Date:** 16 November 2021  
9 December 2021

**Wards Affected:** All Wards

**Report Title:** Proposed Council Tax Support Scheme 2022/23

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## 1. Purpose of Report

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- 1.1 This report provides members with the background of the current scheme and recommendations for the 2022/23 local Council Tax Support scheme.
- 1.2 Schedule 1A of the Local Government Finance Act 2012 requires local authorities to annually review their local scheme.

*NB: Pension Age households are not affected. The DWP retain control of the regulations applied for local authorities to pay Council Tax Support to pension age customers. As pension age claims are protected by legislation, these proposed changes will only affect claims from those of working age:*

## 2. Reason for Proposal and its benefits

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We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 The Council has a statutory duty to provide a local Council Tax Support Scheme for working-age households within its area. Pension age households are subject to statutory provisions determined on a national basis that must be incorporated within each authority's local scheme  
The Council must approve the final scheme by 11 March 2022 for operation by 1 April 2022. The scheme cannot be changed mid-financial year.

- 2.2 It is proposed that Personal Allowances and Premiums are uprated from 1 April 2022 in line with the prescribed Pensioner scheme and national working-age benefits, which are both set by the Government.

Failure to make this change would result in a cut in entitlement should there be an increase in household income.

### 3. Recommendation(s) / Proposed Decision

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That Cabinet recommends to Council:

- 3.1 That the Council Tax Support Scheme for 2022/23 be approved.
- 3.2 That Council notes the scheme for 2022/2023 includes the standard annual uprating of the personal allowances and premiums. These values take into account the statutory inflationary increase in personal allowances used to calculate entitlement to Council Tax Support. These allowances represent a households basic living needs.
- 3.3 That Personal Allowances and Premiums, used to calculate Council Tax Support, are uprated from 1 April 2022 in line with the prescribed Pensioner scheme and national working-age benefits, which are both set by the Government.
- 3.4 That the Chief Finance Officer be given delegated authority, in consultation with the Cabinet and the Executive Lead for Customer Services, to make any further adjustments required to the Exceptional Hardship Policy and fund.

### Appendices

Appendix 1: Current 2021/2022 scheme - <https://www.torbay.gov.uk/media/16034/torbay-s13a-202122-scheme-final.pdf>

### Background Documents

None

# Supporting Information

## 1. Introduction

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- 1.1 The current Council Tax Support scheme was approved by members at Full Council in December 2016.
- 1.2 For each financial year, the Council must consider whether to revise its scheme or to replace it with a replacement scheme. Any proposed revisions to the format of the scheme requires a 6-to-12-week public consultation process. It must make any revision to its scheme, or apply any replacement scheme, no later than 11 March for the subsequent financial year commencing 1 April.
- 1.3 Entitlement to Council Tax Support is based on a means test, by taking into consideration a person's income and comparing this with any personal allowances, premiums and disregards to which they may be entitled.
- 1.4 The current scheme needs to be updated each year to take into account the inflationary increase in the personal allowances used to calculate entitlement to Council Tax Support. These allowances represent a households basic living needs.
- 1.5 This will ensure the scheme is compliant with the Prescribed Requirements for all local schemes, determined by the Department for Communities and Local Government and also aligned to national working-age benefits, determined by the Department for Work and Pensions.
- 1.6 For people of working age, the current scheme has the following key elements:
  - All awards are based on 70% of the Council Tax charge for the property. This means that the maximum a working age household can receive is 70% of the Council Tax due. These households have to pay a minimum of 30% of the Council Tax due;
  - No entitlement if working age households have savings over £6,000;
  - Restrict working age households to the equivalent of a Band D property charge and apply the 70% restriction detailed above;
  - A hardship fund is provided for additional financial assistance within the scheme. This is available to households should they be experiencing hardship as a result of their Council Tax Support award.
- 1.7 Under the current scheme pensioners are protected and the level of entitlement for them must remain. Protection will be achieved by keeping in place the existing national rules, with eligibility and rates defined in the Prescribed Pensioners Scheme.
- 1.8 The components used to calculate Council Tax Support consist of the following:
  - **Personal Allowances** - the basic amounts of money the government says a claimant needs to live on. The level depends on the claimant's age and whether they are part of a couple. There are additional allowances for dependent children.
  - **Premiums** - additional amounts added to the personal allowance because of claimant's personal circumstances. The government recognises that it is more

expensive to live with a family or if someone has a disability or caring responsibilities. Extra amounts are added to income based benefits to account for this.

- **Disregards** - the amount of earnings not taken into account when calculating entitlement to benefits. There are standard earnings disregards for singles, couples and lone parents. People in certain groups, such as carers and people with disabilities are eligible for a higher disregard.
- **Non Dependant Deductions** - the amount that is deducted for other people who are 18 or over and live in the household. The deduction rates for non-dependants are set according to their income, as it is assumed that they can make a financial contribution to the household.

## 2. Options under consideration

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- 2.1 It was the intention to introduce an income banded Council Tax Support scheme from April 2021. This was after the proposed implementation from April 2020 was unfortunately paused due to delays in receiving software and the absence of the required reassurances that all system integration work and testing would be completed prior to our deadline for annual Council Tax billing.
- 2.2 Unfortunately, with the onset of COVID 19 in early March 2020 and the fundamental impacts this had on the local economy, it was decided to not progress with plans to introduce a banded Council Tax support scheme for 2021/2022. This has been further paused due to the need to accurately model and forecast the impacts of introducing a new format of scheme, we should only use data taken from a normal 'trading' year – i.e one that has not been adversely affected by the pandemic. This will be reviewed for the 2023/2024 Council Tax Support Scheme.

## 3. Financial Opportunities and Implications

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- 3.1 The Council's requirement to review its Council Tax Support scheme annually must consider both the application of the scheme itself and to take into account the financial implications of its administration.
- 3.2 This report is integral to the revenue budget and Council Tax setting process for 2022-23. The financial and resource implications as well as underlying assumptions are dealt with in that report.

## 4. Legal Implications

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- 4.1 Schedule 1A of the Local Government Finance Act 2012 requires local authorities to consider whether to revise or to replace its scheme each year.

## 5. Engagement and Consultation

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5.1 There are no requirements to undertake a public consultation. The scheme does not include any revisions to the format and remains unchanged within its replacement.

## 6. Purchasing or Hiring of Goods and/or Services

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6.1 The purchasing or hiring of good and/or services is not relevant for this report.

## 7. Tackling Climate Change

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7.1 Tackling climate change is not relevant for this report.

## 8. Associated Risks

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8.1 The scheme that will be adopted for 2022/23 is the same as the scheme that was adopted for 2021/22. The reasons for this are it:

- is based on the previous scheme and involves no additional new risk;
- does not disproportionately affect any particular group – disabled persons, single parents, etc;
- presents a very low risk of legal challenge.
- Torbay’s most vulnerable groups will continue to be protected as the scheme will retain the current scheme characteristics
- the continuation of the hardship scheme will also help cushion the effect of the changes and should mitigate any adverse impacts where possible.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people	If Personal Allowances and Premiums were not uprated in line with the prescribed pensioner scheme and national working-age benefits		

	residents would effectively have a cut in their entitlement should their income increase.		
People with caring Responsibilities			Protection for those receiving a carers allowance is in line with the old Council Tax Benefit scheme.
People with a disability			Protection for disabled people is in line with the old Council Tax Benefit scheme. Disability benefits, such as Disability Living Allowance, will continue to be fully disregarded as well as the associated personal allowances and premiums that are currently awarded to people with disabilities
Women or men			Although this information is recorded, there is no adverse impact on the grounds of gender. Torbay's scheme is open to applications from persons of any gender and there are no aspects of the scheme which impact in any way on the availability of support to claimants based solely on gender.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			There is no differential impact
Religion or belief (including lack of belief)			This information is not collected as part of the administration of the Council Tax Support

			<p>Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.</p>
<p>People who are lesbian, gay or bisexual</p>			<p>This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme. This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.</p>
<p>People who are transgendered</p>			<p>This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or</p>

			complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.
People who are in a marriage or civil partnership			This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Torbay Council Tax Support Scheme.
Women who are pregnant / on maternity leave			There is no differential impact
Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact

## 10. Cumulative Council Impact

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10.1 Not applicable for this proposal.

## 11. Cumulative Community Impacts

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11.1 Not applicable for this proposal.