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**Decision Maker:** EXECUTIVE

**Date:** Wednesday 24 November 2021

**Decision Type:** Non-Urgent Executive Key

**Title:** COUNCIL TAX SUPPORT \REDUCTION SCHEME 2022/23

**Contact Officer:** Jayne Carpenter, Revenues and Benefits Manager  
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**Chief Officer:** Peter Turner, Director of Finance

**Ward:** (All Wards);

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1. Reason for report

To advise Members of the result of the public consultation exercise and seek approval for the scheme to be forward to Full Council.

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2. **RECOMMENDATION(S)**

Members are asked to:

2.1 consider the updated Impact Assessment at Appendix 1.

2.2 consider the responses to the public consultation exercise at Appendix 2 & 3.

2.3 consider that the Council Tax Support/Reduction scheme for 2022/23 retains the calculation of entitlement for working-age claimants on 75% of the households Council Tax liability. Thereby the maximum assistance provided to a claimant of working-age is 75% of his/her Council Tax liability.

2.4 Subject to the outcome of 2.1 to 2.3 above recommend to Council the Council Tax Support/Reduction scheme for 2022/23 including maintaining the Discretionary Hardship Fund at £200k.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: 4043 households with children and 1299 working-age disabled claimants.
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### Corporate Policy

1. Policy Status: New Policy
  2. BBB Priority: Not Applicable
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### Financial

1. Cost of proposal: Estimated annual cost of the scheme with 25% liability is £14.6 m
  2. Ongoing costs: Recurring Cost
  3. Budget head/performance centre: Benefits and Admin
  4. Total current budget for this head: £5.865m
  5. Source of funding: Government funding (although not separately identified in the grant notification).
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### Personnel

1. Number of staff (current and additional): 6 + Liberata staff
  2. If from existing staff resources, number of staff hours: once the scheme is adopted the work will fall onto Liberata which has been taken into account in the costings provided
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### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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### Procurement

1. Summary of Procurement Implications: Not applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 15,039 (the current number of all households in receipt of Council Tax Support\Reduction at 16 October 2021)
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not applicable

### **3. COMMENTARY**

#### **3.1 Introduction**

In the financial year 2013/14, working-age claimants were liable to pay a minimum of 8.5% of their Council Tax liability. For the financial years 2014/15 and 2015/16 working-age claimants were liable for a minimum of 19% of their Council Tax liability, before this increased to 25% in 2016/17.

At the meeting held on 23<sup>rd</sup> June 2021 the Executive, Resources and Contracts PDS considered the options available and supported the Portfolio Holder's recommendation that a public consultation exercise should be undertaken for the Authority's 2022/23 scheme being based on the current scheme ( i.e. a minimum liability of 25% for working-age)

Members are asked to note the content of the updated Impact Assessment when considering the third recommendation contained in this report. The updated Impact Assessment based on the re-adoption of a scheme retaining the minimum contribution for a working-age household's at 25% of the Council Tax liability can be found at Appendix 1

It should be noted that the scheme needs to be adopted at Full Council by the 31st January prior to the financial year it relates to.

#### **3.2 Consultation**

At the meeting held on 23<sup>rd</sup> June 2021, the Executive, Resources and Contracts PDS supported the Portfolio Holder's recommendation that a public consultation exercise be undertaken with the CTS\R continuing to be based on 75% of the households Council Tax liability. The consultation exercise commenced on the 2 August and closed on the 26 September 2021. 154 responses were received. The GLA response is attached as Appendix 2.

Responses to the questions contained in the consultation exercise are attached as Appendix 3

To summarise the main findings were:

- In respect of financial year 2022/23, 66% of respondents confirmed their preference to keep the minimum contribution at 25%. The responses were weighted in favor of maintaining this level of support irrespective of whether the respondent was in receipt of CTS\R
- Of those indicating that the current level of assistance should not be maintained, 71% said the scheme should be more generous and 29% less.
- 95% of respondents said that there should be a hardship fund, with 68 % agreeing that it should remain at the current level

The overall response to this consultation was disappointing. We have taken into account the comments made in response to this consultation and next year with will look to improve the information provided particularly in relation to the hardship fund.

### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 There are currently 1299 disabled, working-age claimants and 4043 working-age households with children affected by the policy. This excludes pensioner claimants whose entitlement continues to be based on 100% of their Council Tax liability.

4.2 The impact on vulnerable adults and children is mitigated by building into the scheme disregards and additional assistance contained in the Housing Benefit scheme. In addition, a hardship fund is available to those faced with exceptional circumstances.

#### 4.3 Summary of Equality Impact Assessment (EIA)

The EIA recognises that the requirement of working-age claimants to contribute a minimum of 25% towards their Council Tax liability disproportionately impacts upon several of the protected characteristic groups. Lone parents (who are predominately women) and the disabled are both over represented in the Council Tax Support\Reduction caseload. Mitigation of the impact is supplied by the retention of the safeguards included in the Housing Benefit scheme for these client groups, for example the disregard of certain income types for the disabled and childcare costs. Further mitigation is supplied by the Hardship Fund from which assistance can be granted for those facing exceptional circumstances.

4.4 A copy of the Equality Impact Assessment can be found at Appendix 1.

### 5. POLICY IMPLICATIONS

5.1 A copy of the 2021/22 scheme can be accessed by the following web link:

[Local Council Tax Reduction Scheme 2021/22](#)

This scheme will be revised in light of any changes agreed by Members, required by legislative change and/or resultant of the annual uprating of the benefit system

The Authority's scheme needs to be adopted on an annual basis following a public consultation exercise.

### 6. FINANCIAL IMPLICATIONS

6.1 The below table shows the projected expenditure of the scheme based on working-age claimants having their entitlement based on 75% of the households Council Tax liability: -

<b>Minimum Working Age CTS\R Liability</b>	<b>25%</b>
	<b>£'000</b>
LBB estimated annual CTS\R expenditure costs (79.14%)	11,609
GLA estimated costs (20.86%)	3,047
<b>Total estimated annual costs for CTS\R</b>	<b><u>14,656</u></b>

6.2 The sums included in the above table are based on the Council Tax levels for 2021/22 and the number of households in receipt of CTS\R at the 2 June 2021.

6.3 In addition to the amounts contained in the above table, the report recommends maintaining a Discretionary Hardship Fund of £200k per annum. The Discretionary Hardship fund was temporarily increased in 2021/22 in recognition of the financial impact of Covid 19 and it recommended that the increased fund remains in place for 2022/23 due going effects of the pandemic, the high Council Tax levels and the Adult Social Care precept.

6.4 The above proposal reflects no changes to the existing scheme for 2022/23. The impact of the scheme will be taken into account when setting the overall revenue budget and Council Tax for 2022/23.

## 7. LEGAL IMPLICATIONS

- 7.1 Full legal implications were set out in the report considered by members of the Executive on the 2 August 2019. Members should have regards to these and the Equality Impact assessment undertaken. However, in summary Section 33 (1) (e) of the Welfare Reform act 2012 abolished the national Council Tax Benefit scheme. Section 10 (1) of that Act introduced a new Section 13A (2) into the Local Government Finance Act 1992 which obliged each local authority to make its own scheme for those it considered to be in financial need.
- 7.2 Schedule 1A of the 1992 Act sets out the procedural steps required to make a revised scheme. These include the obligation to consider whether or not to change a scheme for any financial year. Where changes are made there is a statutory obligation to publish a draft scheme and to consult with such persons as we deem to have an interest. This will include both individuals who receive benefit and those who don't. Any new scheme must be adopted by 31<sup>st</sup> January in the financial year preceding that in which it is to apply. Bromley has undertaken the required consultation exercise.
- 7.3 Members must have regard to the consultation exercise, but they are not obliged to follow the majority view. However, introducing new proposals or disregarding consultation views which point to a strong preference without clear reasoning will create risk of challenge. Members also have to consider the impact of the scheme and any changes on individuals with protected characteristics in line with public sector equality duty and Equality Impact assessment which identifies appropriate mitigation measures which is appended to this report.

<b>Non-Applicable Sections:</b>	<b>Personnel and Procurement</b>
Background Documents: (Access via Contact Officer)	