

**Decision Maker:** EXECUTIVE

**Date:** Wednesday 18 January 2023

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

**Title:** COUNCIL TAX SUPPORT SCHEME 2023/24

**Contact Officer:** Jayne Carpenter, Revenues and Benefit Manager  
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**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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1. Reason for decision/report and options

- 1.1 To advise Members of the result of the public consultation exercise and seek approval for the scheme to be put forward to Full Council.
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2. RECOMMENDATION(S)

Members are asked to:

- 2.1 consider the revised Equality 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 scheme from 2023/24 restricts the calculation of entitlement for working-age claimants to 70% of the households' Council Tax liability
- 2.4 consider introducing a band "D" eligibility restriction from 2023/24
- 2.5 Subject to the outcome of 2.1 to 2.4 above, recommend to the Council that the Council Tax Support scheme from 2023/24 increases the Discretionary Hardship Fund to £225k per annum.

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### Impact on Vulnerable Adults and Children

1. Summary of Impact: 8525 working age households, 3400 with children and 1448 working-age disabled claimants.

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### Transformation Policy

1. Policy Status: New Policy
2. Making Bromley Even Better Priority  
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

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### Financial

1. Cost of proposal: Estimated annual cost of a scheme with a 30% liability and band "D" liability restriction is £13.5m
2. Ongoing costs: Recurring cost
3. Budget head/performance centre: Benefits and Admin
4. Total current budget for this head: £3.52m
5. Source of funding: Council Tax, Business rates. Fees and charges and Government grant funding (not separately identified in the grant notification)

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### Personnel

1. Number of staff (current and additional): 6 plus Liberata staff
2. If from existing staff resources, number of staff hours: if adopted the additional work will be carried out by the contractor which has been taken into account in the costing provided.

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### Legal

1. Legal Requirement: Statutory Requirement  
The Council Tax Reduction\Support Scheme Regulations 2012  
The Council Tax Reduction Schemes (Amendment)(England) Regulations 2017
2. Call-in: Not applicable

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### Procurement

1. Summary of Procurement Implications: Not applicable

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### Property

1. Summary of Property Implications: Not applicable

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### Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not applicable

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### Customer Impact

1. Estimated number of users or customers (current and projected): 13,650 (the current number of households in receipt of Council Tax Support at 30 November 2022).

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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 Background**

The national scheme for providing assistance with Council Tax ceased to exist in 2013 and was replaced by a locally designed scheme for those claimants of working age. Assistance for those of pension age is still based on national rules and regulations.

Since the introduction of Council Tax Support (CTS) in 2013, Bromley has undertaken an annual consultation exercise in which it has sought resident's views as to the scheme to be operated in the following financial year. Prior to the consultation exercise a decision is required as to the scheme that the Authority is recommending for the coming year.

In previous years the scheme was revised by changing the minimum Council Tax contribution required by those claiming CTS, however the current minimum contribution of 25% has remained in place since 2016/17.

CTS is means tested and the only changes made to the scheme since 2016/17 relate to the amounts used to calculate the applicable amounts (basic needs allowance) which is governed by the DWP benefits uprating and the amounts deducted in respect on non-dependants (other adults living in the properties) in line with the national scheme applied to pension age claims.

At the meeting held on the 28 July 2022, the Executive, Resources and Contracts PDS considered all the options available from 2023/24 and supported the Portfolio Holder's recommendation that a public consultation exercise should be undertaken.

Members are asked to note the content of the revised Equality Impact Assessment when considering the recommendations contained in this report. The revised Equality Impact Assessment based on the scheme limiting the maximum support available to 70% and restricting entitlement to band "D" Council Tax liability can be found at Appendix 1.

It should be noted that the scheme needs to be adopted at Full Council by 11 March prior to the financial year it relates to, and that there is no longer a requirement to undertake an annual public consultation if no changes or revisions are proposed.

#### **Consultation**

At the meeting held on 28 July 2022, the Executive, Resources and Contracts PDS considered the options available from 2023/24 and supported the Portfolio Holder's recommendation that a public consultation exercise should be undertaken with the Council Tax Support scheme from 2023/24 being based on a working-age maximum liability of 70% with entitlement being restricted to band "D" Council Tax liability (option 6).

The consultation exercise ran for 8 weeks commencing on the 20 September and closing on the 15 November 2022.

The on-line survey was available on the Bromley website for the whole period. In addition to the survey:

- A paper questionnaire was issued to 4000 households (with a covering letter) comprising a mixture both Council Tax Support recipients and non-recipients. This represents double the number of households compared to previous years.

- A leaflet was enclosed with all the Council Tax bills and Housing Benefit\Council Tax Support entitlement letters issued during the period advising of the consultation and the link on our website (31,420 were sent)
- An email was sent to all partner\stakeholder organisation advising that the consultation was taking place
- An email was sent to all MyBromley account holders (over 100,000 registered users) advising that the consultation was taking place and directing them to the website.
- A social media campaign undertaken

The GLA response to the public consultation is attached as Appendix 2.

In total 540 responses were received, of which 502 were from verified responders. 207 (38%) were made via the website and 295 (55%) completed questionnaires. There were also 38 unverified responses.

To summarise the main finds were:

- 92% of the verified respondents agreed that there should be a hardship fund, with 81% agreeing that the fund should be increased to £225k
- 54% of the verified respondents agreed that the level of assistance should be reduced
- 52% of the verified respondents agreed that assistance should be restricted to band “D”

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

The overall response is a significant improvement in comparison to the 154 responses received last year.

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

At the 30 November 2022 there were 1448 disabled working age claimants and 3400 working-age households with children affected by the Council Tax Support scheme policy. This excludes pensioner claimants whose entitlement continues to be based on 100% of their Council Tax liability.

The split by Council Tax band is shown below:

Council Tax Band	A	B	C	D	E	F	G	H	Total
Total Number of working-age disabled claims	68	372	550	341	92	20	5	0	1448
Number of working-age claims with children	48	281	1522	1144	305	79	19	2	3400

The impact on vulnerable adults and children is mitigated by income disregards which include:

- disability benefits are completely disregarded as household income
- child benefit and child maintenance are completely disregarded
- allowances are made for child care costs

There is also a Discretionary hardship fund available for those who face exceptional circumstances/hardship. The Discretionary Hardship fund was increased to £200,000 p.a. in recognition of the pandemic.

It is being recommended that the Council Tax Discretionary Hardship fund is increased to £225k per annum from 1 April 2023 to mitigate and assist those face with exceptional circumstances.

### **Summary of the Equality Impact Assessment (EIA)**

The EIA recognises that the requirement of working age households to contribute a minimum of 30% towards their Council Tax liability and the band “D” entitlement restriction 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 Reduction\Support caseload. Mitigation of the impact is supplied by the retention of the safeguards included in the Housing Benefit scheme for these client groups e.g. the disregard of certain income types for the disabled and childcare cost. Further mitigation is supplied by the Discretionary Hardship fund, from which additional assistance can be granted to those facing exceptional circumstances.

The Equality Impact Assessment can be found at Appendix 1

There currently 117 disabled working-age households and 405 households with children directly affected by entitlement being restricted to band “D”.

## **5. FINANCIAL IMPLICATIONS**

5.1 The table below shows the projected expenditure of the scheme based on working-age households having their entitlement based on 70% of the Council Tax liability and with a band “D” restriction applied: -

### **Minimum Working Age CTS liability at 30% and band “D” restriction**

	<b>£'000</b>
LBB estimated annual CTS expenditure costs (79.14%)	10,760
GLA estimated costs (20.86%)	2,752
<b>Total estimated annual cost of CTS</b>	<b>13,512</b>

5.2 The sums included in the above table are based on the Council Tax levels for 2022/23 and the number of households in receipt of CTS at the 7 May 2022 and represent an estimated saving of £366k.

5.3 In addition to the amounts contained in the above table, the report recommends that the Hardship Fund be increased to £225k per annum.

5.4 The above proposal reflects the changes to 2023/24 scheme but makes no allowances for the 2023/24 Council Tax levels or the annual welfare benefit increases from April 2023.

## **Government Announced Additional Council Tax Support**

- 5.5 The Government have announced further funding of £365,066 in 2023/24 to be used to provide a £25 reduction for Council Tax Support claimants (working age and elderly making part contribution totals about 10,500 households) which would provide total support of £262,500 leaving a balance of around £102,566 for a discretionary scheme yet to be determined. Further details are awaited.

## **6. TRANSFORMATION/POLICY IMPLICATIONS**

- 6.1 One of the “Making Bromley Even Better” ambitions is to manage our resources well, providing value for money, efficient and effective services for Bromley’s residents. To achieve this, we need to ensure that any scheme adopted represents value for money whilst assisting vulnerable residents.
- 6.2 From 2023/24 the scheme will only be revised to incorporate any changes required by legislative change and/or as result of the annual uprating of welfare benefits. Public consultation will only be undertaken when a fundamental change to the scheme is proposed in future years.

## **7. LEGAL IMPLICATIONS**

Under section 13A (2) of the Local Government Finance Act 1992 each local authority to make its own scheme for those it considered to be in financial need.

Schedule 1A of the 1992 Act and Regulations made pursuant to it sets out the procedural steps required to make a revised scheme. For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme. 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 do not. Any new scheme must be adopted by 11 March in the financial year preceding that in which it is to apply (previously 31 January and amended the Council Tax Reduction Schemes (Amendment)(England) Regulations 2017).

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 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 the public sector duty and Equality Impact assessment which identifies appropriate mitigation measures which is appended to this report.

## **8. CUSTOMER IMPACT**

- 8.1 The Council Tax Support scheme current impacts on 8525 working-age households.

<b>Non-Applicable Headings:</b>	Personnel, Procurement, Property, Carbon Reduction/ Social Value and Ward Councillors views
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Background Documents: (Access via Contact Officer)	FSD22060 – Council Tax Support/Reduction scheme 2023/24
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