

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE</b> Council Tax Support 2023/24 (CS/2022/19)	
<b>REPORT OF</b> Cabinet Member for Finance and Cost of Living	
<b>FOR SUBMISSION TO</b>  Resources and Corporate Performance Scrutiny Committee Cabinet Council	<b>DATE</b>  12 <sup>th</sup> December 2022 14 <sup>th</sup> December 2022 23 <sup>rd</sup> January 2023
<b>STRATEGIC CONTEXT</b>  We Make Camden is our joint vision for the borough, developed in partnership with our community. With the current cost of living crisis causing increased hardship, the Council Tax Support scheme provides significant support for residents on low incomes by reducing the cost of Council Tax and is a major part of the Council's pledge to make Council Tax fairer and 'to ensure that no child, no resident and no family in Camden go hungry or cold'. It represents a significant investment of over £28m to reduce the financial burden on residents living on benefits or low earnings.  The Way We Work is the Council's response to We Make Camden. The Council Tax Support Scheme is based on the London Living Wage and as such is an innovative scheme contributing to the Council's goal to reduce inequality and ensure fair wages. It addresses poverty, enables families and disabled people to live in Camden and supports those entering employment.	
<b>SUMMARY OF REPORT</b>  This report considers the options for a Council Tax Support (CTS) for the year 2023/24.  The report is coming to the Cabinet because The Local Government Finance Act 2012 amends the Local Government Finance Act 1992 which sets out the requirement for the Council to agree a local council tax reduction scheme on an annual basis.  Camden's current scheme, launched in 2020/21, remains one of the most generous Council Tax Support schemes in the country with income bands based on London Living Wage, ensuring that 15,999 households (including pensioners) in Camden currently receive 100% support and do not pay any Council Tax.	

The coronavirus pandemic saw the number of claimants increase substantially due to changes in income and circumstances. However, since restrictions lifted, caseload numbers have not returned to pre pandemic numbers as the number of households getting 100% CTS support has only fallen by 353 cases since October 2021.

The current cost-of-living crisis adds further risk of significant changes to people's employment and financial situations as residents struggle to afford the cost of food, energy and housing. As a result, it is proposed that the current scheme remains in place for 2023/24, with minor updates only in line with legislative changes over the past year which have no negative impacts on our residents, so that the Council can provide certainty for residents. Income bands will also be uplifted in line with the new levels for London Living Wage, meaning those with disabilities or children can earn up to £537.75 a week and still receive support.

### **Local Government Act 1972 – Access to Information**

No documents that require listing were used in the preparation of this report.

**Contact Officer:** Mark Stewart

Head of Council Tax, Business Rates and Benefits  
Corporate Services  
5 Pancras Square, London, N1C 4AG  
020 7974 5565 / [mark.stewart@camden.gov.uk](mailto:mark.stewart@camden.gov.uk)

### **RECOMMENDATIONS**

The Resources and Corporate Performance Scrutiny Committee is asked to consider the report and make any recommendations to Cabinet.

Having due regard to the obligations set out in section 149 of the Equality Act 2010 and the Equalities Impact Assessment at Appendix A.

**The Cabinet** is asked to recommend to Full Council that the current Council Tax Reduction Scheme, updated with minor wording amendments to reflect legislative changes made by central government (as explained in paragraph 2.4) and as set out in Appendix B continues from 1 April 2023, and that a review be carried out in the summer 2023 in order for a decision in January 2024 to consider options for the Council Tax Reduction scheme for 2024/25.

The Director of Customer Services is delegated authority to make changes to the scheme during 2023/24 to reflect any requirements set by Government to either the prescribed regulations for pensioners or the local working age scheme and to ensure the scheme remains legally consistent and up to date as the legislation changes.

**The Council** is asked to agree that the current Council Tax Reduction Scheme, updated with minor wording amendments to reflect legislative changes made by central government (as explained in paragraph 2.4) and set out in Appendix B, continues from 1 April 2023, and that a review be carried out in the summer 2023

in order for a decision in January 2024 to consider options for the Council Tax Reduction scheme for 2024/25.

The Director of Customer Services is delegated authority to make changes to the scheme during 2023/24 to reflect any requirements set by Government to either the prescribed regulations for pensioners or the local working age scheme and to ensure the scheme remains legally consistent and up to date as the legislation changes.

Signed: Jon Rowney Executive Director of Corporate Services

Date:

## **1. CONTEXT AND BACKGROUND**

- 1.1 Every year the Council must decide whether to keep the existing Council Tax Reduction Scheme or revise it. The Council Tax Reduction Scheme awards a Council Tax discount for residents receiving benefits or on a low income.
- 1.2 The decision to adopt a scheme must be taken by Full Council.
- 1.3 Any revision to the scheme or any replacement scheme must be made no later than 11 March 2023 or the existing scheme must continue to apply for the following financial year.
- 1.4 This report does not discuss the scheme for people of pension credit age as this is prescribed by law and cannot be changed. Therefore, the reduction scheme consists of different criteria for pensioner and working age households. The awards for people of pension age will be based on their full income although Pension Credit, disability benefits and military compensation payments are disregarded.
- 1.5 From the 1<sup>st</sup> April 2020 the Council introduced a banded Council Tax Reduction Scheme (called Council Tax Support) for working age households based on earnings related to the London Living Wage. It is one of the most generous and innovative Council Tax support schemes in the country ensuring that 15,999 households (including pensioners) in Camden receive 100% support and are not required to pay any Council Tax as at October 2022. This is alongside other commitments such as providing an exemption to Council Tax for foster carers and young people leaving care.
- 1.6 Our Council Tax Support Scheme plays a major role in delivering our pledge through We Make Camden 'to ensure that no child, no resident and no family in Camden go hungry or cold'. This is against a backdrop of a decade worth of cuts to local government funding by central government which have negative impacts on a number of the most vulnerable residents. Despite facing these cuts, Camden has continued to ensure Council Tax is fair and that residents are supported through the cost of living crisis. As such the Council Tax Support scheme represents a significant investment of over £28m in providing financial support to residents on low incomes and sits alongside its investment in a £2m cost of living crisis fund and other support and prevention services.
- 1.7 It has been difficult to fully evaluate the impact of the new scheme for working age households. Initially this was due to restrictions caused by the Covid virus resulting in increased caseloads and we are now in the midst of a cost-of-living crisis. So, whilst the number of working age households in receipt of Council Tax Support has fallen by 645 between October 21 and October 22, we are only just starting to experience the hidden impact of the cost-of-living crisis. Rising costs are likely to see a number of businesses folding or scaling back resources (numbers of employees and/or hours for workforces) to reduce costs which will see more of Camden's residents requiring support. The impact of the current cost of living crisis means the working age caseload

is likely to increase in the coming months. It must also be noted that the number of working age households in receipt of Council Tax Support is 1,250 higher than prior to the implementation of the new scheme from 1 April 2020, for both those in receipt of full and partial Council Tax Support. A breakdown of claimant numbers since 2020 is shown in the following table:-

	Working Age		Pensioners		Total
	Full Award	Partial Award	Full Award	Partial Award	
1 <sup>st</sup> Mar 2020	10,655	3,691	5,054	2,001	21,401
1 <sup>st</sup> Apr 2020	10,899	3,911	5,029	2,014	21,853
1 <sup>st</sup> Oct 2020	12,568	3,330	4,993	1,999	22,890
1 <sup>st</sup> Apr 2021	12,128	4,130	4,917	1,928	23,103
1 <sup>st</sup> Oct 2021	11,226	5,015	5,126	1,716	23,083
1 <sup>st</sup> Apr 2022	11,179	4,600	5,142	1,728	22,649
1 <sup>st</sup> Oct 2022	10,865	4,731	5,134	1,738	22,468

- 1.8 Camden's Council Tax Support scheme is more important than ever in assisting the Council's aims at reducing hardship and poverty within the borough alongside various other schemes such as Discretionary Housing Payments, Household Support Fund and the Cost of Living Crisis Fund. The cost-of-living crisis has seen an increasing need for financial and food support, originally seen during the Covid pandemic continue, as demand still remains high across voluntary and community sector partners and frontline council services.
- 1.9 Yet it is also vital for the Council's financial stability and resilience that the Council is able to collect the money owed to it. Income from Council Tax plays a significant role in the Council's budget, paying for a range of critical services including adults and children's social care, waste and recycling services, libraries etc. The back-to-back challenges faced as a result of the Covid pandemic and now the ongoing cost-of living crisis have seen higher levels of non-payment as households have struggled financially. Camden has a legal duty to bill Council Tax and enforce non-payment under the Local Government Finance Act but is striving to act with compassion to support residents facing debt and hardship and to proactively identify those in need. This not only means signposting those needing support from the Council Tax Support Scheme or other schemes managed directly by Camden or central government (like Universal Credit) to assist them maximise income but also signposting residents for debt advice, agreeing long term affordable repayment plans and using discretionary powers under Section 13a of the Local Government Finance act to reduce or clear balances in exceptional circumstances. The Council has to delicately balance its fiduciary duties and be fair to those that do pay council tax and those struggling to pay. The table below sets out the impact these external factors have had on collection rates since 2018/19 (pre covid):

Financial year	Collection rate (%)	Balance outstanding for in year charges only	Arrears outstanding for previous years	Total balance outstanding
2021/22	94.15%	£9.2m	£13.15m	£22.35m
2020/21	91%	£12.9m	£10.9m	£23.8m
2019/20	95.35%	£5.85m	£8.08m	£13.93m
2018/19	96.38%	£4.11m	£8.43m	£12.54m

*Note: the outstanding arrears for previous year will carry forward to the next year so the £23.8m total outstanding at the end of 2020/21 was reduced to £13.15m by the end of 2021/22. This collection rate of arrears debt was an outlier on previous years as for most of 2020/21 the Courts were closed so recovery action against non-payers was not possible. The reduction of the arrears debt in 21/22 was as a result of the courts re-opening but as the total balance outstanding at the end of the 2021/22 year shows, households are still significantly struggling to pay as the total arrears including in year balances was high. It must also be noted the balances outstanding are not like for like as the amount of Council Tax payable increased during each relevant financial year as part of the annual budget setting.*

- 1.10 The Council continues to urge residents to pay by direct debits to prevent late or missed payments resulting in avoidable recovery action. Where instalments are missed, residents receive text and/or written reminders and anyone struggling is urged to contact the service. If these are ignored, the debt could escalate to a court summons. This step is a necessary step to prompt a response and to enable the Council to seek an attachment to earnings etc. As a last resort Council Tax debt can be referred to enforcement agents. The Council has pledged that no-one in receipt of Council Tax Support will be referred to enforcement agents and the service seeks to contact anyone whose debt is escalating through the stages to try to avoid court/enforcement action wherever possible. Where residents do make contact, the Council seeks to agree affordable repayment plans, ensure discounts and Council Tax Support are awarded correctly and can consider hardship under the Section 13a process.
- 1.11 As at 1 October 2022, 14,136 accounts with a balance owed in the 2022/23 financial year are at reminder stage or later with a combined outstanding balance of £15.01m (down slightly on £15.4m at the same time in October 2021). Of these accounts, 7,966 accounts, totalling £9.54m, have either not made any payment at all during 2022/23 or stopped paying 2 or more months ago. In addition, 8,773 of the accounts at reminder stage or later have arrears for previous years totalling £7.32m (down from £12.4m in October 21) which evidences a number of Camden's households are already in a cycle of debt. 1,526 of those accounts with arrears reside in Camden's own housing stock with £3.24m owed for both current year and arrears combined.
- 1.12 In continuing to provide support to households in employment, the scheme provides financial support as residents move into employment and supports the work being carried out by the Good Work Camden.

## 2. PROPOSAL AND REASONS

- 2.1 Given the current uncertainty over unemployment levels and the emergence of the cost-of-living crisis and the future impact that will have on our residents it has not been possible to track or forecast impact effectively to suggest a significant change in scheme. Any negative changes to the scheme such as reducing the award amounts amid the current crisis would be counterproductive to Camden's aims at preventing hardship and poverty for our residents, even though there is a risk caseload (and therefore the cost of the scheme) could significantly rise. As a result, it is proposed that no change is made to the Council Tax Reduction Scheme for working age households other than those we are required to make due to prescribed regulations from central government.
- 2.2 Working age Council Tax payers with no or very low-income will continue to receive Council Tax Reduction of 100% of their Council Tax charge. New London Living Wage levels have recently been announced and the income bands for 2023/24 will be uplifted in line with the policy to reflect the new hourly rate of £11.95.
- 2.3 The Council's scheme works on the basis of income bands and ensures fairness between those on Universal Credit and those on legacy benefits alongside supporting those working but on low incomes. This ensures the scheme is simple to understand and award, reducing complexity for both residents and assessors. As such, the previous Medium Term Financial Strategy had a saving of £500,000 per annum in the cost of administering the scheme which has now been realised. Claims are assessed on the basis of gross household income, with additional support for families with children and those with disabilities. The uprated bands are set out below and show that those earning up to £95.59 a week will receive 100% and even those earning up to £537.75 a week will continue to receive some support with the cost of Council Tax if they have children or receive disability or carers benefits.

Earnings Band		Circumstances		
		No Children	Responsible for at least one child	Disabled or Caring Responsibility
1	Not working or earning less than LLW x 8 hours (£95.59)	100%	100%	100%
2	Earning between LLW x 8 hours and LLW x 16 hours (£95.60 to £191.19)	55%	65%	85%
3	Earning between LLW x 16 hours and LLW x 36 hours (£191.20 to £430.19)	35%	45%	55%

<b>4</b>	Earning between LLW x 36 hours and 10% above LLW x 36 hours (£430.20 to £473.21)	0%	30%	45%
<b>5</b>	Earning between 10% above LLW x 36 hours and 25% above LLW x 36 hours (£473.22 to £537.75)	0%	15%	30%

2.4 There are certain requirements of the scheme that are prescribed by regulations and over which the Council does not have any discretion. The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 amend the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to require that from 1 April 2022 all local council tax support schemes (including those for persons of working age as well as those of pension age) must disregard Energy Bills Rebate payments in determining a person's eligibility for a council tax reduction and the amount of any such reduction. In addition, The Social Security and Council Tax Reduction Schemes (Amendment) Regulations 2022, which came into force on 3 May 2022 amend Regulation 13 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 concerning "persons subject to immigration control". From 1 April 2023, billing authorities may no longer include provision within their LCTS schemes for a person subject to immigration control who is a national of a state which has ratified the European Convention on Social and Medical Assistance (ECSMA) or a state that has ratified the Council of Europe Social Charter. The Regulations do this by removing the exception that persons from such states are treated as persons not subject to immigration control. The scheme automatically includes any amendments to the Prescribed Regulations, but the wording has been updated to reflect these legislative changes.

2.5 It is proposed that a review and consultation be carried out in summer 2023 to consider if the Council Tax Reduction scheme for 2024/25 needs to be redesigned. This will be subject to the status of the current cost of living crisis and whether the impact has started to settle. It will review the impact of the scheme on residents, the financial impact and whether any changes are required to the working age scheme (the scheme for pensioners is set in law and cannot be amended). This will feed into a decision of Council in 2024 to determine the scheme for 2024/25.

### **3. OPTIONS APPRAISAL**

3.1 The Council could:

- a) Retain the current scheme
- b) Make alterations to the current scheme
- c) Adopt a completely different scheme.

3.2 It is proposed that Camden retain the current scheme for 2023/24, with minor amendments made to ensure legislative changes by Central Government are



incorporated as set out in paragraph 2.4 above. The scheme currently operates efficiently, and the Benefits team have been able to deal with the increased caseload initially arising from the Covid crisis and the start of the cost-of-living crisis. The Equalities Impact Assessment shows that the scheme has a positive impact on protected groups, and whilst residents from some countries are no longer eligible for Council Tax Support schemes, due to the prescribed legislation changes from Central Government, our separate local discretionary section 13a policy that gives us the ability to reduce or clear Council Tax arrears on the grounds of financial hardship enables us to ensure there is no potential for discrimination. All appropriate opportunities to advance equality and foster good relations have been taken.

3.3 Our current scheme was introduced in 2020/21 to make the process fairer, simpler and focused on supporting those least able to pay. It was designed so that 88% of Camden's eligible working age residents received the same or more Council Tax Support, whilst ensuring pensioners were not affected by the changes which has been critical during the unforeseen pandemic and subsequent cost-of-living crisis. A hardship fund was also set up to assist any residents who had their support reduced as a result of the new scheme. The scheme also ensured that those working and on Universal Credit received the same level of support as those on legacy benefits as it was estimated at its inception that otherwise working age residents on Universal Credit would receive 10% less support on average than those on legacy benefits in the same circumstances. In addition, the scheme emphasises:

- Supporting the Councils commitment to fair pay which is why the income bands are linked to the London Living Wage to account for regular increases and having flexibility through the bands to ensure that reductions in the level of Council Tax Support are reduced vs traditional fixed schemes which could see those on irregular work patterns, etc. punished
- Provide additional support for people with children and/or disabilities which includes offsetting childcare costs against income and excluding child and disability benefits from income calculations to maximise Council Tax Support awards
- Support households who have young adults living with them up to the age of 25 which is key with housing shortages and the cost-of-living crisis whilst also ensuring young people can afford to live in Camden
- Allowing backdating of claims to the start of Universal Credit claims to support residents moving onto Universal Credit
- Non-dependants under the age of 25, full-time students, receiving certain benefits or earning less than 8 hours at LLW are exempt from any deductions. All other non-dependents will be subject to a 30% deduction.

3.4 It has not been possible to track the impact of the scheme on ability to pay Council Tax as both the coronavirus pandemic and the onset of the cost-of-living crisis has seen significant impact on people's circumstances alongside hardship payments having to be made to claimants in receipt of a partial award. Maintaining the current scheme would provide certainty and clarity for residents and advice partners as Camden and the nation tackles the current cost of living crisis. In addition, it would be difficult to substantially alter or replace the current scheme, as there would be insufficient time to design and evaluate

alterations to the current scheme or design a different scheme for implementation by April 2023.

#### **4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

- 4.1. The award of a Council Tax reduction relieves some financial pressures on the poorest residents. The Council ensures the web page and online forms make claiming Council Tax Support as simple as possible with support available from the Camden Advice Partnership. The Council also uses every opportunity to promote the scheme to residents and increase take up.
- 4.2. The cost of the Council Tax Support Scheme has remained high due to increasing claims throughout the Covid crisis and a greater proportion of claimants entitled to 100% due to reduction in earnings. Despite a slight drop in numbers during the 2022/23 financial year, we still have 1,067 more claimants than March 2020, of which 290 are full CTS 100% recipients.
- 4.3. In addition, the cost of the scheme will naturally increase in line with increases in Council Tax liability which has risen by the maximum permitted before referendum consistently for a number of years.
- 4.4. There is a strong possibility that the current cost-of-living crisis could see more of Camden's residents lose jobs, see hours reduced, etc. which adds risk that the numbers of eligible residents could rise significantly in the short and medium term as the country battles the ongoing crisis.

#### **5. CONSULTATION/ENGAGEMENT**

- 5.1. As the only updates that are being made to the scheme reflect national legislative changes suggested by Central Government (and over which we have no discretion), no consultation is required.
- 5.2. The Equalities Impact Assessment (EIA) shows most changes to the scheme have positive implications for our eligible residents. Increasing the London Living Wage thresholds for 2023/24, as the income bands in the scheme are based on the London living Wage, and the prescribed regulation change around disregarding energy rebate payments in determining eligibility for a Council Tax Reduction and the amount of the reduction to ensure consistency between pension age and working age residents, there are no adverse effects. For example, increasing the London Living Wage amount to match the figures announced in September 2022 means that a higher income amount is permitted (£95.60 versus £86.80 previously) before eligible claimant's stop being able to receive 100% reductions. Without this uprating of the London Living Wage amount, working age claimants in Camden would be worse off in terms of possible relief compared to other authorities' residents who also adopt the uprating of the London Living Wage amount annually to set the maximum amount considered before tapering relief available under the scheme.

The inclusion of excluding energy rebate payments from determining eligibility for the scheme or the amount of the reduction itself means that, just like pension age claimants, our working age claimants do not find that Council Tax Support awards are reduced as a result of cash awarded to them to assist their daily living that would otherwise have to be treated as income. This prevents a two-tiered approach within Camden were these prescribed regulations not adopted into our scheme.

However, the prescribed regulation that now sees residents of some Countries previously eligible for the Council Tax Support Scheme now being ineligible nationally could have negative implications for any residents from countries such as Turkey and Macedonia, for example, who would no longer be eligible for support. However, Camden has a separate discretionary section 13a policy for Council Tax that allows us to reduce or clear Council Tax owed by residents experiencing financial hardship which we can use to assist these residents and is not subject to the new prescribed regulations affecting CTS schemes to mitigate the risk of financial hardship as a result of this Central Government decision we have to adopt into our CTS scheme.

## **6. LEGAL IMPLICATIONS**

6.1 There is a statutory obligation on the Council to have a scheme. For each financial year, the Council must consider whether to revise or replace its scheme and any revision or replacement must be made by 11 March in the preceding financial year to that which it is to take effect. The statutory requirement to consult applies to the Council when revising or replacing the scheme. There is however no statutory obligation to consult when the Council is not either revising or replacing the scheme, but merely maintaining the scheme that has already been decided upon.

6.2 The Department for Communities and Local Government (DCLG) guidance “Localising Support for Council Tax: Vulnerable people- key local authority duties (February 2014)” outlines the duties local authorities need to consider in relation to vulnerable groups in designing their schemes (other than those of state credit pension age who receive statutory protection). The duties have changed since the guidance was written and the summary below takes account of these amendments:

a) the public sector Equality Duty (The Equality Act 2010). The need for the local authorities to consciously consider this duty as an integral part of the decision-making process and ensure it has sufficient information to do so is reiterated as is the need to take into account disabled peoples disabilities when making decisions about policies or services and the impact of their schemes on disabled people. This is a continuing duty.

b) the duty to mitigate effects of child poverty (The Child Poverty Act 2010). The relevant provisions were repealed by the Welfare Reform and Work Act 2016 in May 2016 and the Act renamed the Life Chances Act 2010 and replaced with a new duty on the Secretary of State to report levels of educational attainment and worklessness. However, it is noted the guidance also referred to the fact that authorities may wish to use their scheme to help encourage separated parents to make child maintenance arrangements and

maximising the money reaching children for example by fully disregarding child maintenance when assessing eligibility.

c) The duty to prevent homelessness (The Housing Act 1996). Authorities will want to consider how information about their scheme is made available to homeless households once they are secured accommodation and when taking into the equality duty, have regard to vulnerable individuals for whom it secures accommodation, or who are at risk of becoming homeless- for example, young people or individuals suffering from mental illness.

- 6.3 The public sector equality duty is a continuing duty and Cabinet Members must take into account in coming to any decision the Councils equality duties. In summary these legal obligations require the Council, when exercising its functions, to have 'due regard' to the need to 1. Eliminate discrimination, harassment, victimisation, and other conduct prohibited under the Act; 2 to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; 3. Foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion or belief, Sex, Sexual orientation. In respect of the first aim only i.e. reducing discrimination, etc. the protected characteristic of marriage and civil partnership is also relevant. In this case, for this decision Members attention is brought to the attached EIA at Appendix A and the analysis within it. The EIA concludes that there is no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.
- 6.4 There are certain requirements of the scheme that are prescribed by regulations and over which the Council does not have any discretion. Some parts of the scheme, for example, Schedules 7 and 8, replicate what is in the prescribed regulations which may be subject to amendment from time to time by further statutory instrument. Members are asked to agree the updates to reflect recent legislative changes as set out in paragraph 2.4. A delegation is sought to the Director of Customer services to make any amendments to the scheme to reflect any amendments to the prescribed requirements regulations and to ensure the scheme remains consistent with the same.

## **7. RESOURCE IMPLICATIONS**

- 7.1. The Council Tax Support Scheme reduces the amount of Council Tax collected by the Council by offering full or partial discounts to some Council Tax payers. In 2022/23 the scheme was estimated to reduce Council tax liability by £28.9m. The actual final cost of the scheme in 2022/23 will depend on the level of claims made over the course of the whole year.
- 7.2. The full cost of the scheme in 2023/24 will depend on the level of hardship across the borough and the number of claims made by local residents and the level of Council Tax levied. As stated in paragraph 1.6 it is difficult to accurately estimate the number of people who will qualify for the Council Tax Support Scheme in the future but the cost of the scheme in 2023/24 is

estimated to be £28m - £30m. There is a risk that the cost of the scheme will be higher than the current estimates as there is a good deal of uncertainty about the medium-term impact of the measures put in place to combat Covid-19 and the hardship that will be faced by residents over the coming years.

- 7.3. The cost of the scheme is estimated each year and the estimates used to set the Council's budget. Over the past four years the estimated cost of the scheme has increased. This is partly due to the increases in Council Tax and also the change in the number of people who are eligible for full or partial support via the scheme. The Table below shows the estimated cost of the scheme over the previous four years that show that the cost of the scheme has increased by approximately £5m since 2018/19.

	18/19	19/20	20/21	21/22	22/23
Estimated cost	£23,948,931	£25,076,994	£25,403,018	£27,548,221	£28,982,045
Case load	22,284	21,853	23,101	22,649	22,649

- 7.4. As stated in paragraph 1.9 there is a significant level of debt from non-payment of Council Tax this year totalling £15.01m. Where appropriate the Council will continue to attempt to recover Council Tax debts owed but holds a bad debt provision to manage the risk of non-payment. The non-payment of Council tax that is due reduces the level of resources available to the Council to fund services

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 There are no environmental implications related to the proposed Council Tax Support scheme for 2023/24.

## **9. TIMETABLE FOR IMPLEMENTATION**

- 9.1 The Council Tax Support scheme for 2023/24 will go live on the 1<sup>st</sup> April 2023.

## **10. APPENDICES**

- A – Equality Impact Assessment
- B – Council Tax Reduction Scheme 2023/24

**REPORT ENDS**