

# ***Report to the Council***

**Committee:** Cabinet  
**Date:** 24 February 2022  
**Subject:** Local Council Tax Support Scheme 2021/22  
**Portfolio Holder:** Customer & Partnerships, Councillor S Kane

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## **Recommending:**

**That Cabinet recommend that Council note that the Local Council Tax Support scheme for 2021/22 will continue unchanged for 2022/23.**

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1. The Local Council Tax Support Scheme (LCTS) replaced Council Tax Benefit in 2013. Each local authority must review its scheme annually. The Government brought in regulations to ensure that pensioners continue to receive the same level of assistance as they would have done if the Council Tax Benefit scheme was still in place. The Council can therefore only make amendments to the scheme for people of working age. The Council has approved the general principle that the Local Council Tax Support scheme should be cost neutral. In legislative terms the scheme needs to be approved by 11<sup>th</sup> March each year so for 2022/23 approval needs to be made at Full Council in December 2021.

2. As there are no proposed changes to the 2021/22 scheme there is no legal requirement to consult residents of the district.

3. Currently, the total expenditure on LCTS is £6,550,145, which is made up of £3,431,798 for elderly recipients and £3,118,347 for working age recipients. This is £74,351 up on last year's expenditure (1.1%) with a decrease of £105,962 for elderly recipients and an increase of £180,313 for working age claimants. The total number of recipients of LCTS is 6,202 comprising 2,783 elderly recipients and 3,419 working age. This compares with a total number of claimants at 31st March 2021 of 6,270. Although numbers have decreased, which may look contradictory in terms of an increase in expenditure on the scheme, this is not the case when factoring in the increase in Council Tax in 2021/22. The overall expenditure on the scheme will continue to be monitored over the year as the principle is that it is self-funding. This will also form part of the review for the 2023/24 scheme.

## Resource Implications:

### LCTS scheme for 2022/23:

4. From 2014/15 the funding has been rolled into the Council's overall funding position made up of Revenue Support Grant and locally retained Business Rates. The actual amount of funding for LCTS is therefore not identifiable within the settlement figures, although the overall package continues to be reduced each year. The LCTS scheme is designed to ensure, as far as possible, stability and

sustainability in the Council's finances. It should be noted that LCTS is not a form of benefit and it is treated as a discount within the Council Tax calculations. This means that the Council's Taxbase is reduced (as is the Taxbase for all other preceptors) and that a large proportion of the lost Council Tax income is covered by Government funding.

Exceptional Hardship Fund:

5. For the last five years there has been a small hardship fund to assist households which have been experiencing exceptional hardship. It is anticipated that the current year's budget for this fund will be adequate. The County, Fire and Police are all contributing towards this fund and they have agreed that they will continue with those contributions for current year 2021/22.

Conclusion

6. We recommend as set out at the commencement of this report.