

Hambleton District Council

Report To: Cabinet

Date: 8 February 2022

Subject: Local Council Tax Reduction Scheme 2022/23

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 The purpose of the report is to recommend to Cabinet and seek approval for the Local Council Tax Reduction Scheme for 2022/23. It will remain on the same basis as in 2021/22 but with the level of qualifying income updated for inflation as at the appropriate date. This scheme will be reviewed in 2022/23 as part of Local Government Review integration work and a North Yorkshire wide scheme will be introduced from 1st April 2023.
- 1.2 Each year the Council is required to review its Local Council Tax Reduction scheme in accordance with the requirements of Schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.
- 1.3 The Local Council Tax Reduction Scheme allows for residents Council Tax bills to be discounted up to a maximum of 90% of their Council Tax charge, based on their household income and size. The minimum that a resident would need to pay towards their Council Tax is 10%.
- 1.4 The table below sets the levels of qualifying income for each band within the scheme. These have been uplifted from the 2021/22 scheme by inflation of 3.1% as measured by the Consumer Price Index (CPI) at October 2021.

Table 1 – Levels of Qualifying Income for 2022/23

Band	Maximum award level	Passported	Single (weekly £)	Couple (weekly £)	Family with 1 child (Weekly £)	Family with 2+ children (Weekly £)
1	90%	Income based jobseeker allowance, Income based employment support allowance, Income support	£0.00-£131.00	£0.00-£161.00	£0.00-£201.00	£0.00-£252.00

Band	Maximum award level	Passported	Single (weekly £)	Couple (weekly £)	Family with 1 child (Weekly £)	Family with 2+ children (Weekly £)
2	80%	N/A	£131.01- £171.00	£161. 01- £211. 00	£201.01- £252.00	£252.01- £302.00
3	60%	N/A	£171.01- £211.00	£211.01- £262.00	£252.01- £322.00	£302.01- £352.00
4	30%	N/A	£211.01- £312.00	£262.01- £352.00	£322.01- £423.00	£352.01- £453.00
5	0%	N/A	Above £312.01	Above £352.01	Above £423.01	Above £453.01

2.0 Link to Council Priorities

2.1 The provision of a Local Council Tax Reduction scheme to support financially vulnerable residents is a statutory function. A simplified scheme for residents not only supports the driving economic vitality by aiding council tax collection, but it also contributes to the Council's priority for providing a special place to live.

3.0 Risk Assessment

3.1 There are no significant risks in approving the Local Council Tax Reduction scheme

4.0 Financial Implications

4.1 Since April 2013, funding for a Local Council Tax Reduction scheme has been amalgamated into other central government grants paid to Local Authorities.

4.2 The cost of the current Local Council Tax Reduction scheme in November 2021 is £4,026,766 which is spread across the District Council (6%), Parish Councils (2%) County Council (74), Fire (4%), and Police (14%) in accordance with the proportion of Council Tax which each organisation levies (shown in brackets).

4.3 The total cost of £4,026,766 can be split into the national scheme which covers applications from pensioners (and cannot be changed by the Council) at £2,331,406 and the local scheme available to working age customers which this report covers which stands at £1,695,360.

5.0 Legal Implications

5.1 Schedule 1A of the Local Government Finance Act 1992 (as amended) states:

“For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.”

5.2 Section 10 of the Local Government Finance Act 2012 requires each billing authority to make a scheme specifying the reductions which are to apply to amounts of council tax payable by person, or classes of person, whom the authority think are in financial need.

5.3 For those of pension age the amount of Council Tax Reduction is calculated with reference to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

6.0 Equality/Diversity Issues

6.1 The proposal is to continue with the banded scheme and increase the income bands within the Local Council Tax Reduction scheme by the consumer price index to maintain support to households who are on low income. Previous reviews of the scheme have had Equality and Diversity issues considered; therefore, these are the same issues reported previously

7.0 Recommendations

7.1 That Cabinet approves and recommends to Council:

- (1) continue with the current banded Local Council Tax Reduction scheme to protect households who have a low income at a time of high financial uncertainty; and
- (2) approval of the levels of qualifying income set out in Table 1 within this report.

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Background papers: Local Council Tax Reduction Scheme

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