

CABINET MEETING –11 JANUARY 2022**LOCAL COUNCIL TAX SUPPORT SCHEME****REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES****1. Purpose of the Report**

- 1.1 To request Cabinet to consider, for the purposes of paragraph 5 of Schedule 1A to the Local Government Finance Act (LGFA) 1992, whether the Local Council Tax Support Scheme (LCTSS) – which is the Council's Council Tax Reduction Scheme under section 13A(2) LGFA 1992 – should be revised or replaced with another scheme for the financial year 1 April 2022 to 31 March 2023.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to recommend to Council that:
- (i) The current LCTSS for the City of Sunderland, the main features of which are set out at Appendix A, be amended from 1st April 2022 to incorporate any legislative changes to the prescribed requirements for the Local Council Tax Support Scheme (the Scheme) but that it be not otherwise revised or replaced; and
 - (ii) The approved LCTSS for the financial year 2022/2023 be published on the Council's website and in any additional manner determined by the Executive Director of Corporate Services in consultation with the Cabinet Secretary.

3. Background

- 3.1 The former council tax benefit system was abolished by the Welfare Reform Act 2012 and was replaced (by virtue of the provisions of the Local Government Finance Act 2012) by a requirement for locally adopted Council Tax reduction schemes (in Sunderland referred to as the "Local Council Tax Support Scheme") from 1st April 2013, thereby transferring responsibility for Council Tax support from central to local government.
- 3.2 In accordance with that requirement, the Council adopted a LCTSS which was based on the government's default scheme, for implementation as from April 2013. The scheme incorporated protection for pensioners as required by the Local Government Finance Act provisions, namely the requirement that they must receive the same levels of entitlement under the new Council Tax Support Scheme as they had received under the old Council Tax Benefit Scheme. Evaluation of previous consultation resulted in some minor modifications to the scheme in 2015/16 such as utilising assumed consent that applicants of Housing Benefit also wished to be considered for Local Council Tax Support. Following consultation, further technical and administrative changes were implemented from 1st April 2018 in order to align the scheme to Housing Benefit rules and to make the LCTSS more efficient to administer and easier for the customer to understand.

- 3.3 There were no changes to the council tax support entitlement which will continue to be calculated and reduced by 8.5% for all working aged claimants.

4. Current Position

- 4.1 The existing scheme is operating effectively and pensioners continue to be afforded protection. It is proposed to continue to monitor any impacts to the scheme over the coming year as a result of any Welfare Reform changes and review as necessary going forward.

5. Proposed Local Council Tax Support Scheme

- 5.1 Following the successful application of the current scheme it is proposed that no changes are made except for introducing any regulations laid down by the Department for Levelling Up, Housing and Communities (DLUHC).
- 5.5 The main features of the proposed scheme for the 2022/2023 financial year are set out in Appendix A.

6. Financial Implications

- 6.1 The cost of the scheme has been factored into the Council's budget planning for 2022/23.

7. Reasons for the Decision

- 7.1 The Council must have its LCTSS approved by 11th March 2022, and the design of the scheme impacts upon the calculation of the council tax base which is considered elsewhere on today's agenda.
- 7.2 The proposed Scheme, the main features which are as set out at Appendix A, reflects the experience of the impact of the scheme to date.

8. Alternative Options

- 8.1 There are no alternative options proposed. There is a statutory requirement for the Council to consider, for each financial year, whether to revise its LCTSS or replace it with another scheme, with any revision or replacement scheme being determined by 11th March in the preceding financial year.

9. Impact Analysis

(a) Equalities –

An Equality Impact Assessment has been undertaken and is set out in Appendix B to this report.

Work will continue to assess the impact of this scheme alongside the related impacts of any welfare and benefit reforms either already introduced, planned to be introduced or still being considered by Government.

10. Other Relevant Considerations / Consultations

- (i) Legal Implications** –The comments of the Assistant Director of Law and Governance have been taken into account in preparing this report.
- (ii) Other Consultations** –The comments of the Executive Director of Neighbourhoods have been taken into account in preparing this report. Consultation has not been carried out with Tyne and Wear Fire and Rescue Authority nor the Police and Crime Commissioner (the Council's major precepting authorities) or any other persons as the requirement for such wider consultation applies only in cases where the Council exercises discretion to revise or replace the scheme.

11. List of Appendices

Appendix A – Local Council Tax Support Scheme Main Features
Appendix B – Equality Analysis

12. Background Papers

There are no background papers to this report.

Local Council Tax Support Scheme Main Features

1. Council tax support entitlement will be calculated and reduced by 8.5% for all working aged claimants.
2. Pensioners will continue to receive protection in line with the prescribed regulations.
3. Those non-dependants serving in the forces on operations will continue to be disregarded from the calculation.
4. Information held in respect of Housing Benefit can be used to calculate Council Tax support where appropriate.
5. LCTSS claims may be backdated to a maximum of one month providing good cause is shown.
6. No family premium will be used in the calculation for new applicants.
7. There will be no personal allowance for any third or subsequent child for new applicants (unless an exception applies).
8. A claimant will not be entitled to Council Tax Support if they are temporarily absent from Great Britain for longer than 4 weeks (unless an exception applies).
9. A notification of Universal Credit will be treated as an indication of a claim for Council Tax Support.