

KEY DECISION: NO

COUNCIL TAX SUPPORT SCHEME – 2023/24

SUMMARY:

This report sets out the work undertaken by the Council Tax Support Task and Finish Group, to review the Council's Council Tax Support Scheme (CTSS) and recommends action as follows:

RECOMMENDATIONS:

Cabinet is requested to:

- a) Recommend to Council that the current CTSS for working age customers continues for 2023/24 with the annual uplift to rates within the calculation mirroring that applied to national Housing Benefit rates.
- b) Approve a further £20k for the current year (22/23) and for next year (23/24) be allocated to the Exceptional Hardship Fund from existing Council reserves to support residents in hardship.
- c) Commission the Council Tax Support Task and Finish Group to undertake a detailed review of the CTSS in early 2023/24 to consider the increasing cost of the scheme and its local impact on scheme recipients and other local Council Taxpayers and to consider the current schemes compatibility with the Government's Universal Credit Scheme, specifically to ensure that both Universal Credit and legacy benefit claimants are treated equally. In conducting the review, the Group should report back on the potential for the local CTSS to be able to provide up to 100% support for the most vulnerable residents (within a similar financial envelope to the present scheme arrangements) as well on proposals for scheme simplification.
- d) Note the deliberations and considerations of the Council Tax Support Task and Finish Group in arriving at recommendation a) and b) above as set out in Appendix 1.

1. BACKGROUND

- 1.1 Since 1 April 2013, local authorities have been providing their own Council Tax Support Scheme (CTSS) to replace the previous national Council Tax Benefit Regulations, which had supported residents with their Council Tax costs.

- 1.2 Whilst local authorities have the freedom to set their own local schemes, based on local circumstances and needs, local authorities are required to provide pensioners with the same level of support received under the previous national Council Tax Benefit arrangements.
- 1.3 Accordingly, most local authorities have devised hybrid schemes, whereby those of pensionable age receive up to 100% of their Council Tax bill in support, whilst the maximum level of support for working age customers is typically lower and a range of other local adjustments have been made.
- 1.4 In Rushmoor we are in our tenth year of operating our local scheme, which has been overseen by a cross-party Member Welfare Group, superseded in 2018 by the Council Tax Support Task and Finish Group, convened by the Overview and Scrutiny Committee.
- 1.5 In previous years, Rushmoor's local scheme has proved effective and Council Tax collection rates remained high but for 2019/20 the collection rate was 97.8%, slightly lower than the previous year, and for 20/21 lower again at 96.8% due to the impact of Covid-19.
- 1.6 Due to a gradual recovery from the impact of furlough and job losses caused by the impact of Covid-19 on people's financial circumstances, there was a slight improvement in the overall collection rate of Council Tax for 21/22 which was 97.8%. For this financial year so far, the collection rate at the end of November 22, was 94.18% in comparison to 94.15% at the end of November 2021. The cost-of-living crisis continues to have a significant impact of resident's ability to pay their council tax. We are closely monitoring the situation to understand where the main issues are and adapt recovery processes accordingly.
- 1.7 Collection rates for recipients of CTS are lower than those of the overall collection rate. The way these are calculated is slightly different to the main rates as CTS is awarded at the start of the year for up to the full annual charge. Main collection rates are calculated as a % of the Council Tax due in the year to date. The only date we are 100% sure of the actual figures is at 31 March when we have comparable figures.
- 1.8 For Working age recipients, the collection rate in terms of the amount of Council Tax paid for the full year and being paid in the current month (November 2022) was 83%. Same time in November 2021 it was 73%. Current rates have been helped by the number of £150 Energy Rebates that residents chose to have credited to their Council Tax accounts. For pension age recipients the collection rate is currently 98% which is slightly higher than pre-Covid. This is helped mainly by the pensioner CTS scheme allowing 100% support in most cases, due to it mirroring the previous national Council Tax Benefit scheme and a significant number of the remaining residents paying their instalments regularly.
- 1.9 It is assumed at the time of writing, that there will not be any additional financial

support from the Department of Levelling Up, Housing and Communities (DLUHC) for 2023/24 to fund additional pressures on the local CTSS in England, on top of those in 2020/21.

2. WORK OF THE COUNCIL TAX SUPPORT TASK AND FINISH GROUP

2.1 A Council Tax Support Task and Finish Group was established in 2019, as a sub-group of the Overview and Scrutiny Committee (OSC) and has been working to the previously agreed terms of reference.

2.2 The Group met on 18th August 2022, 19th October 2022, and 22nd November 2022 to make their recommendations.

2.3 The Group considered the on-going impact of Covid-19 and cost of living crisis and associated data regarding the CTSS.

2.4 The Group weighed up several factors and paid specific attention to the following matters during their deliberations:

- Current collection rate for Council Tax payments in Rushmoor amongst CTS recipients
- How collection rate last year compares in Rushmoor this year, as opposed to previous years
- Council Tax Support caseload data
- Comparable data relating to CTS schemes for other local authorities in Hampshire and across England.
- Early collection rate for the main Council Tax data following the ending of furlough schemes and the gradual return to work for many who lost their jobs or suffered reduced hours.
- Energy Rebate and Cost of Living funding
- ONS data and local employment statistics
- Evidence and data presented by Citizens Advice
- Changes to national welfare benefits such as Universal Credit
- Options to change the scheme were presented such as reviewing the Banding Cap level, considering a reduction in the maximum amount of council tax liability eligible for support and reducing the savings threshold
- The impact of likely Council Tax increase in 2023/24 on residents and the prioritisation of cost reductions and savings

2.5 The on-going position because of the cost of living crisis in respect of Council Tax collection and payments, presents financial impacts on both the council and its residents. The current CTSS is familiar to customers and is relatively stable. The group agreed that this is not the right time to make fundamental changes, and indeed maintaining the current scheme for 2023/24 would help those of working age maintain a consistency at a time when they may be facing other personal and financial changes and challenges. Also, any scheme modelling and forecasting at this time using current data and information would be unlikely to provide a reliable picture of the longer-term claimant profile and caseload.

- 2.6 It is difficult to forecast the CTSS costs in 2023/24 with any degree of certainty due to the cost of living crisis. This creates a continuing level of uncertainty with the current economic climate. We have seen a small drop in people claiming CTS, which we can assume is due to an increase in their financial resources as they recovered from the impact on employment of Covid 19, but it is a little early to be clear how this might play out for the remaining months of 2022/23 and into the new year.
- 2.7 Having considered all the data available to answer the lines of enquiry set out in 2.4, and recognising that there were factors that could support changes in 2023/24 and also bring into question the timeliness of a change, the Group on balance considered that the best option to recommend to Cabinet was one of no immediate change but keep the scheme under close review and undertake a more fundamental review in 2023/24.

Option put forward by the Group

- 2.8 To maintain the CTSS for 2023/24, as an identical scheme to the current year, whilst the Council Tax Support Task and Finish Group continue to monitor the financial recovery from the impact of the cost-of-living crisis on people’s ability to pay the Council Tax. With this level of current financial difficulties being unprecedented it is not possible to forecast with any degree of certainty what will happen. However, early indicators do show that it would be reasonable to anticipate further decreases in CTS caseload and expenditure for the remainder of the financial year.

The group were clear that they would recommend a fundamental review of the scheme in early 2023 using robust data and future consultation with the public and the major preceptors. The introduction of Universal Credit and with the financial challenges facing the council, the current CTS scheme may no longer be fit for purpose as the current CTS scheme is not compatible with the Governments Universal Credit scheme. As more people receive Universal Credit, it is important the scheme is adapted to ensure both UC and legacy benefit claimants are treated equally. This means tested scheme is also complex and costly to administer. Multiple bills are produced as a person’s income changes, sometimes monthly, which makes recovery of council tax difficult as people receive so many bills with differing amounts to pay.

This review of the scheme will ensure that we introduce a long-term sustainable scheme that is affordable and fair to both council taxpayers and to those people who also benefit from Council Tax support.

- 2.9 **TABLE 1:** Council Tax collection rates within Rushmoor, for those of Working Age receiving CTS - % of those where full year paid and paying in November 22 23 (Previous pension age data not reliable but current estimate is 98% for November 22)

CTS collection Rates at date stated	Collection rate for those of Working age
November 19	92.3%

November 20	85.5%
November 21	73.4%
November 22	83.2%

2.10 **TABLE 2:** Overall Council Tax collection rates

Month and Year	% Collected of in year charge due to date
November 2019	95.11%
November 2020	93.69%
November 2021	93.85%
November 2022	94.18%

2.11 Presently expenditure on the CTS scheme is £5,173,766. The table below shows the comparative position.

2.12 **TABLE 3:** Council Tax Support – award data

CTS paid by group	November 19	November 20	November 21	November 22
Pensioner	£2,101,678	£2,144,227	£2,184,110	£2,221,024
Working age	£2,283,954	£2,578,267	£2,997,827	£2,889,591
Total	£4,385,632	£4,722,495	£5,181,938	£5,110,616

2.13 At 30 Nov 2022, the cost of CTS was £5.11m. As you can see from Table 3, the cost at the end of November 21 was £5,18m a decrease of £71k.

2.14 The cost of the scheme is slightly lower than at the same time in 2021, although difficult to attribute this to a specific reason. Previous reductions we believed were due to the caseload beginning to reduce as people come off furlough and go back into work after Universal Credit. We may see a continued reduction for the remaining months of the year in terms of people receiving CTS but the impact of the cost of living crisis will certainly be an important factor in peoples ability to pay their council tax liability

3. LEGAL IMPLICATIONS

3.1 There are no specific legal implications resulting from this report. The Council has already had an established CTSS and does not wish to make any changes for 2023/24.

4. EQUALITIES IMPACT IMPLICATIONS

4.1 It would be normal practice to undertake a detailed equality impact assessment (EIA) in the event that there is a major change to the CTSS. However, as the recommendations indicate a largely status quo approach for 2023/24, no EIA is attached to the report on this occasion and there are no specific equalities

impact matters that should arise as a result of adopting the recommendations.

5. FINANCIAL IMPLICATIONS

- 5.1 The only financial implications arising directly from this report, relate to the creation of a larger reserve to deal with hardship applications, both during 2022/23 and 2023/24. However, these funds will be provided by transfers from an existing reserve. The total estimated cost of the Council Tax Support Scheme for 2023/24 will be included when calculating the total amount of Council Tax income for the year, reflecting estimates around current and future numbers of applicants and levels of Council Tax charges.
- 5.2 Members will need to consider the financial implications of the scheme when considering the Budget for 2023/24 at the Council meeting in February 2023.

6. CONCLUSIONS

- 5.1 Cabinet are asked to consider the issues raised in this report and the Group's recommendations as set out at the top of the report.

Councilor Diane Bedford
Chairman of Council Tax Support Task and Finish Group

BACKGROUND DOCUMENTS:

- 18th August 2022 presentation to Council Tax Support Members Task and Finish Group
- 19th October 2022 presentation to Council Tax Support Members Task and Finish Group
- 22nd November 2022 presentation to Council Tax Support Members Task and Finish Group

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A hand is holding a smartphone. The screen shows a webpage with a blue header that says 'RUSHMOOR' and 'Claiming support and benefits'. Below the header, there is a section titled 'Types of benefit available' with a list of items. The background of the slide is a blurred image of the phone and hand.

Council Tax Support Members Group

22nd November 2022

Agenda

- Citizens Advice (Alex Hughes)
- Latest Welfare News and Data
- Latest Local Employment Data
- Latest Revenues and Benefits Data
 - Caseload
 - CTS award data
 - Collection rates
 - Discretionary Housing Payments
 - Exceptional Hardship Payments
- Overall view of the data
- Review of Council Tax Support Scheme (CTSS) for 23/24
- Members recommendation for Cabinet



Rushmoor

Council Tax Support Group

- Update on data and trends
- Focus for the coming year

Citizens Advice Issues

- Citizens Advice has a **unique insight** into the cost of living pressures faced, because of the range and type of issues local people approach us for help with.
- Our **holistic** approach, means issues are not seen in isolation – so for instance a problem with energy, may trigger additional help, ranging from benefits entitlement to crisis support – as shown here.
- Our **detailed data** includes demographic and ward based data, which we can extract and share to respond to different situations.
- We are currently working on an update to the “**Cost of Living in Rushmoor**” report which we produced in 2020.



Cost of Living Topline Figures for Rushmoor

People in Rushmoor asking Citizens Advice for help in the last 3 months - Top 5 Cost of Living issues only

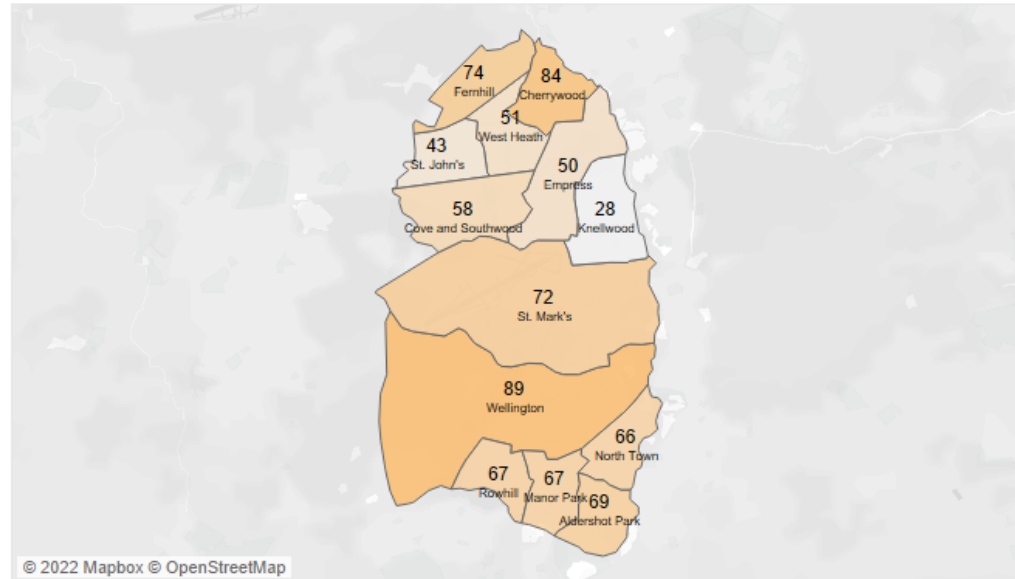
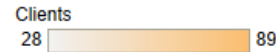
Top 5 cost of living issues

In the last three months to October 2022, the top 5 cost of living issues that clients saw us about in this Local Authority were:



All cost of living issues by ward

Click icons above to see the selected issue by ward, click wards to see issues or click the name the top 5 table to filter the report. Click the same item again to reset the view.



Click the home icon on the map to recentre the view

As clients can be helped on more than one issue, manually summing numbers will be greater than the unique counts shown on the map. Click the home icon on the map to recentre the view

Top issues - latest 3 months to previous 3 months

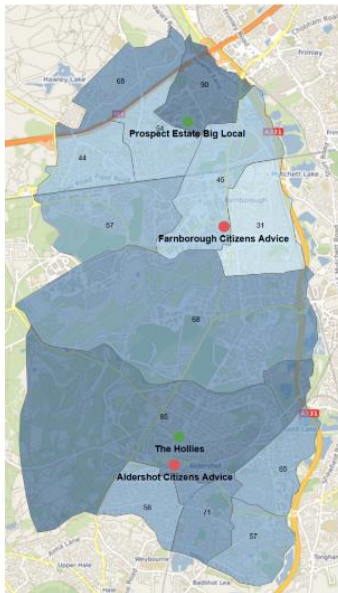
Top 5	Cost of Living Issues	Latest 3 Months	Previous 3 Months	Change	% Change
1	Energy	205	113	92	81%
2	Personal independence payment	128	138	-10	-7%
3	Charitable support & Food Banks	63	72	-9	-13%
4	Council tax arrears	26	17	9	53%
5	Financial capability	26	19	7	37%
Total of all Clients with a COL issue		494	388	106	27%

The total is for all clients with any cost of living issue, not just the Top 5

“So what?” - how can we best use the data we have?

One example is Local Councillors (or others) using our data to target activity in your wards – eg higher level of need/ LSOA areas – see [Citizens Advice In Your Ward](#)

Click on the links below to see the work Citizens Advice has been doing in your ward during Q2 of 2022-23:



- Aldershot Park
- Cherrywood
- Cove & Southwood
- Empress
- Fernhill
- Knellwood
- Manor Park
- North Town
- Rowhill
- St John's
- St Mark's
- Wellington
- West Heath

Ward Dashboard

St. John's

citizens advice

In this Ward we helped

Clients	44
Issues all	192

Top Issues

Debt	63
Benefits Universal Credit	32
Benefits & tax credits	24
Housing	16
Utilities & communications	15

Top 5 benefit issues

01 Initial claim	17
21 Personal independence payment	6
23 Council tax reduction	5
03 Housing element	4
03 Pension Credit	3
04 Limited capability for work elements	3
28 General Benefit Entitlement	3

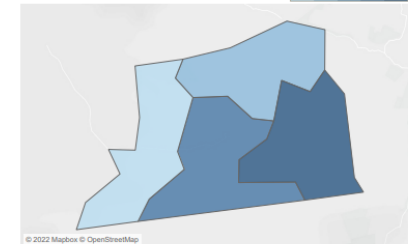
Top 5 debt issues

09 Council tax arrears	15
04 Fuel debts	8
13 Credit, store & charge card debts	7
16 Water supply & sewerage debts	4
07 Rent arrears - housing associations	3
15 Catalogue & mail order debts	3
30 Mobile phone debt	3
32 Debts to friends and family	3
60 Debt Assessment	3

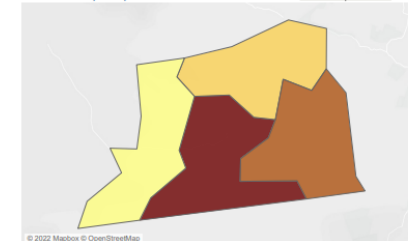
Homelessness

03 Threatened homelessness	2
02 Actual homelessness	1

Clients seen



Index of multiple deprivation



The darker colours on the IMD map show higher levels of deprivation

Gender



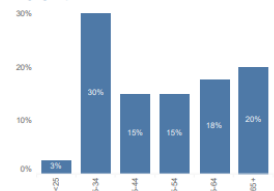
Ethnicity



Disabled or Long term health



Age group



Citizens Advice Rushmoor - Choices

Our Challenges

- Increasing demand - and need for service
- Reducing grant
- Fewer volunteers
- Staff recruitment

Our Choices

- **Volume** - allocating resource to phone and email services to respond to more people
- **Reach** - developing outreach services / engaging with partners: “hard to reach” communities
- **Specialism** – providing in depth casework for vulnerable people, who are unable to act on the advice they are given
- **Other ideas?**



Autumn Budget 22 – Welfare support and Benefits

Welfare Support

- Vulnerable households on means tested benefits will get an extra £900 cost of living payment in 23/24
- Household Support Fund to continue in 23/24 – delivering support to households to help with cost essentials
- State Pension uprated by inflation
- Social Housing rent increase restriction to 7% maximum in 23/24
- Increasing support for households using alternative fuel to £200

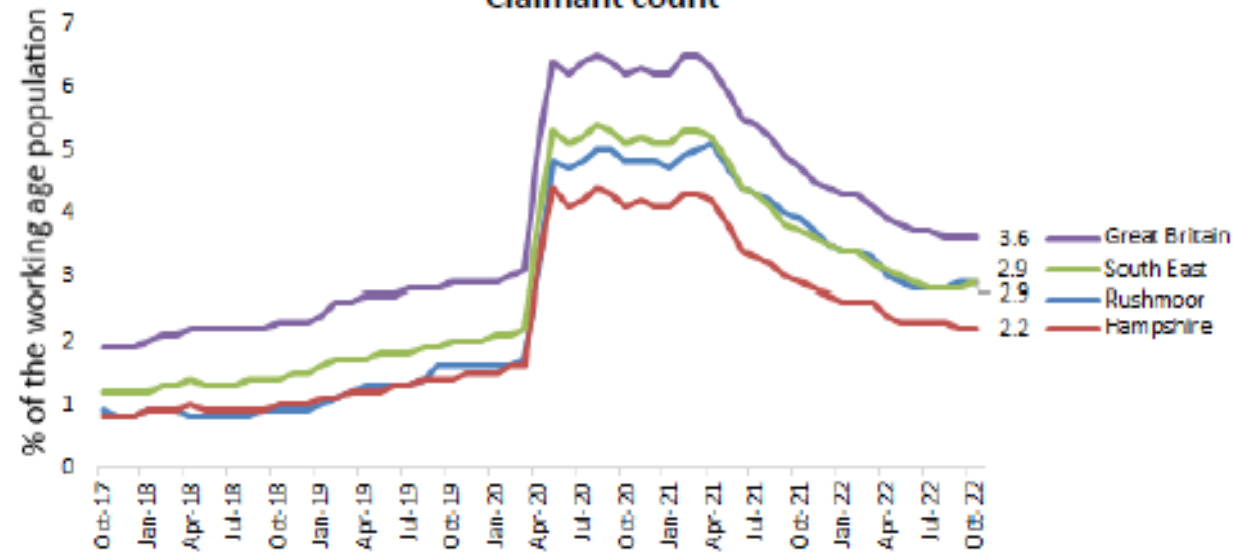
Benefits

- Benefits will be increased by 10.1% in April 23 (CPI)
- The merger date for Housing Benefit to Pension Credit has been moved back to 2028/29
- Universal Credit tightens rules around recipients in and out of work
- Additional investment in tackling Fraud and Error
- Delay move from Employment Support Allowance to Universal Credit to 2028

Unemployment

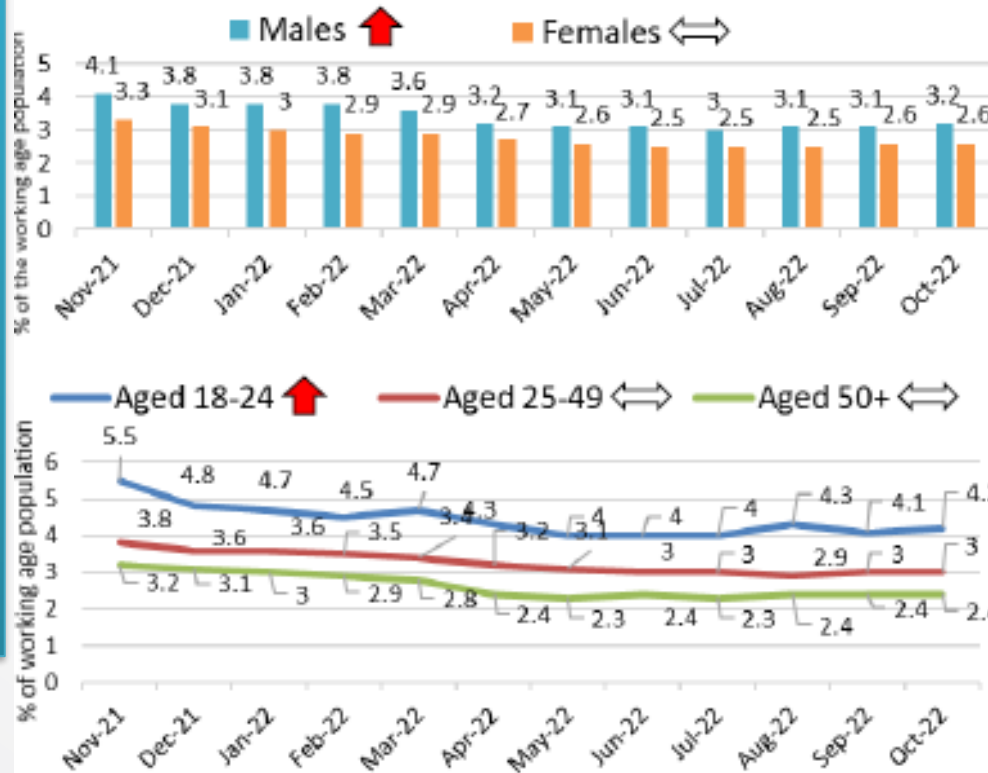
The Claimant count is the number of people claiming benefit principally for the reason of being unemployed. In October 1,750 Rushmoor residents were claiming (up slightly from September's revised figure of 1,745) which accounts for 2.9% of the working age population, this lower percentage than Great Britain (3.6%), the same percentage as the South East (2.9%) but a higher percentage than Hampshire (2.2%).

Claimant count



Monthly Claimant Count Data

October 2022



	Claimant count	Claimants as a proportion of residents aged 16-64	Change in numbers from last month (September's revised numbers)
October 2022			
Cherrywood	220	4.1	Up
Aldershot Park	180	3.8	Same
Wellington	200	3.7	Up
North Town	150	3.3	Up
Rowhill	145	3.3	Down
Manor Park	170	3.0	Down
West Heath	120	2.8	Same
Fernhill	110	2.7	Same
Empress	95	2.5	Up
St Mark's	120	2.3	Up
Cove and Southwood	100	2.2	Down
St John's	75	1.7	Same
Knellwood	70	1.5	Down
Total	1,750	2.9	Up

Source: <https://www.nomisweb.co.uk/reports/lmp/la/1946157308/report.aspx?#wab>



Council Tax collection rates

Collection rate for Council Tax – current position and comparison:

October 19 95.86%

October 20 93.59%

October 21 94.19%

October 22 94.45%*

* Affected by the Energy Rebate credits of £299,025

Below pre-covid levels but up slightly on this time last year

	19/20	20/21	21/22
Overall Collection Rate achieved by end of year	97.8%	96.8%	97.8%



CTS caseload data

Date	Working Age	Pensioner	Total
March 19	2552	2085	4637
March 20	2493	2063	4556
March 21	2972	2003	4975
March 22	2905	1948	4853
October 22	2821	1957	4778



Latest Council Tax Support payments by type – cash values

	Oct 20	Oct 21	Oct 22	
Pensioner	£2,138,248	£2,187,654	£2,217,125	Pension age
Working Age - Other	£930,973	£1,150,104	£1,019,927	All out of work benefits or occupational pensions but not pension age
Working Age - Vulnerable	£1,211,030	£1,337,935	£1,445,998	Disability Premiums in play ESA Income Related
Working Age - Employed	£140,361	£213,861	£153,438	Working more than 16 hours
Working Age - Vulnerable Household	£264,834	£303,137	£278,889	Where a child under 5 in the household
CTS Total	£4,685,448	£5,192,691	£5,115,379	Drop of £77k from Oct 21



Council Tax Support Claims (Working Age only) – Council Tax account balances October 22

Working age	Credit or zero balance	Owe less than £200	Owe between £200 and £500	Owe more than £3000
2804 (59% of total CTS caseload of 4751)	509 (18%) *In July 22 this was 6%	1726 (62%)	369 (13%)	200 (7%)
		1385 owe less than £100 (80%)	203 (55%) owe less than £300	No one owes more than £3000
		341 owe less than £200 (20%)	86 (23%) owe between £300 and £500	4 owe between £2k and £3k (1%)
			80 (22%) owe between £400 and £500	29 owe between £1k and £2k (15%)
CTS recovery rate Working Age				167 owe between £500 and £1k – 84%
18/19 84% 19/20 83% 20/21 85%				
21/22 73% 22/23 Oct 22 78%*	* Improved by £150 Energy Rebate where credited to CT account	Calculated by taking into account what is owed to date for current year to end Oct 22		



Benefit caseload

Reduction in Housing Benefit cases due to transfer to Universal Credit
increase in cases for Council Tax support only

	Total Caseload	Type of Benefit	Caseload
Oct 20	6173	Housing Benefit Only	1420
		Housing Benefit & Council Tax Support	3101
		Council Tax Support	1652
Oct 21	6203	Housing Benefit Only	1200
		Housing Benefit & Council Tax Support	2868
		Council Tax Support	2135
Oct 22	5763	Housing Benefit only	1014
		Housing Benefit and Council Tax Support	2657
		Council Tax only	2092

Discretionary Housing Payments 22/23 so far

Welfare Reform	Number	£
Not affected by reforms – Financial Hardship	112	£46,159.14
Social Sector Size Criteria ('bedroom tax')	67	£13,022.00
Benefit Cap –	12	£6,232.67
LHA Reform – rent shortfalls	58	£24,789.68

- We have awarded to £90,203 to 249 recipients from the allocated funds of £160,572
- We have also spent £42k from the Housing Support Fund for Housing Crisis cases, given to us by HCC

Exceptional Hardship Payments 22/23

- Budget is £22K. £12k was base budget and a further £10k was added from the Council Tax Hardship fund as recommended by the Group to Cabinet last year
- We have spent £16,505 to date on 60 applications, leaving £5,495 in the budget. Expecting higher level of applications as we get into the Christmas period and new year
- Average award is £280
- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Serious debt issues
 - Cost of Living impact
- Refusals to date - four

Overall view of the data

National changes

- Cost of Living and Household Support due to impacts of increased energy; food and other living costs
- No core changes to Housing Benefit but uplifted with inflation
- Universal Credit families lost the additional £20 they received as a result of the pandemic
- Ending or rolling out of the Covid arrangements
- More household support funding

Local issues

- CTS recipients – rates of payments down
- General collection rates remain at around Covid levels
- Likely to continue to be an increased draw on Exceptional Hardship and Discretionary Housing Payment budgets

Council Tax Support review of existing scheme

- Focus this year has been on government funding initiatives to support cost of living
- Other LA's report that they are looking at increasing support not taking it away. Some are looking at giving the most vulnerable 100% support. Some of these LAs do have higher minimum contributions than us – for example, IOW 35%
- A number of Hampshire authorities retained the old CTB feature of 100% support for lowest income groups
- Our scheme figures show that the majority of people are able to pay some or all of their council tax after CTS. We do have an Exceptional Hardship Fund to help them and can use the regulations to write-off small debts that are uncollectable.
- Overall evidence continues to show a balanced scheme – however, considerable financial pressure and uncertainty this year

Bringing it all together

- Members have been very keen to assess the cost of living impact for this year
- Government has provided a lot of direct support to assist energy bills and has uplifted main welfare in line with inflationary pressure
- Comprehensive overview provided previously – this is now being widely distributed and shared by the Council and other partners [Cost of living help - Rushmoor Borough Council](#)
- Sense of the group's feedback so far is that this may not be the year for significant change to the Council's own CTS system
- Members haven't asked us to model any new CTS schemes this year
- Members have indicated a desire to ensure that protection is offered to the more vulnerable customers
- The Exceptional Hardship fund may not be adequate this year
- Likely that CT for all preceptors will increase at a greater rate than last year
- CTS customers will receive some protection if current minimum contribution levels are maintained and allowances in the calculation are raised in line with Government levels
- Potential to leave CTS Scheme the same but do the uprating and harmonisation and a fundamental review for 24/25

Next Steps

- Report to Cabinet setting out
 - Work of the group this year
 - Current performance of the CTS Scheme and collection rates of Council Tax
 - Partnership work undertaken around cost of living
 - Broader information taken into account from CA and others
 - Recommend that allowances within the Rushmoor CTS Scheme are lifted in line with Government figures announced in the 17th November fiscal statement
 - Recommend that the Exceptional Hardship Fund be enhanced by a further £20k for the current year and for next year by transferring monies from the CT Hardship reserves to ensure protection for the vulnerable and target / prevent CT arrears
 - Recommend that the Council continue to work with partners in the locality to ensure sustainable solutions to assist cost of living measures
 - Recommend that the Group further explore options for a more fundamental examination of the CTS Scheme in the next financial year
- Next meeting proposed - February 2023