

**Classification: Public**

**Key Decision: No**

## **Gravesham Borough Council**

**Report to:** Full Council

**Date:** 22 February 2022

**Reporting officer:** Pat Knight, (Head of Revenues and Benefits)

**Subject:** Council Tax Reduction Scheme 2022-2023

### **Purpose and summary of report:**

The report is requesting Members to approve the changes to the Council Tax Reduction scheme 2022-2023 (as recommended by Cabinet on 31 January 2022) and to approve the Financial Support Payment Scheme Policy, to be implemented from 1 April 2022.

### **Recommendations:**

1. Members approve the Council Tax Reduction scheme 2022-2023 in accordance with the Local Government Finance Act 1992.
2. Members approve the Financial Support Payment Scheme Policy.

### **1. Background**

- 1.1 Section 13A (1) (a) of the Local Government Finance Act 1992 prescribes that the council is required to have a Council Tax Reduction (CTR) scheme.
- 1.2 The CTR scheme consists of two main streams, namely working age claimants and pension age claimants. The scheme in respect of working age claimants requires Full Council approval at Members' discretion, whilst the scheme in respect of pension age claimants is set on a national basis by the Government's issue annually of 'prescribed regulations'. Consequently, any changes made to the council's scheme will not affect pension age households.
- 1.3 At the meeting of the Cabinet on 31 January 2022, Members considered :-
  - 1.3.1 A report regarding the proposed CTR scheme for 2022-2023. This report detailed results of the public consultation on nine proposed changes to the scheme. There were 537 responses with every proposed change seeing the majority of respondents agreeing with the proposal.
  - 1.3.2 The findings of an Equality Impact Assessment, which took into account the impact on residents following proposed changes.
- 1.4 On 31 January 2022, Cabinet recommended to Full Council that the proposed scheme take effect from 1 April 2022.

## **2 Council Tax Reduction scheme 2022-2023**

- 2.1 The changes (Appendix 2) to the existing scheme, recommended by Cabinet on 31 January 2022, are incorporated into the CTR scheme 2022-2023 (Appendix 3).
- 2.2 Changes to a CTR scheme, within the same cost envelope, will result in some claimants who are adversely affected. It is a legal requirement that the Council operates a financial support scheme for those residents who have moved into financial crisis (commonly referred to as an exceptional hardship policy). The service is experienced in operating such schemes and, in light of the changes to the CTR Scheme, has prepared a Financial Support Payment Scheme Policy for this purpose (Appendix 4). This is broadly based on the current financial support scheme policy operated by the council, but has been refreshed as part of the activity to develop the CTR scheme proposal presented to Members in this report.
- 2.3 In addition to the Financial Support Payment Scheme, the council will also utilise new technology such as the Low Income Family Tracker to proactively identify, engage with and support both vulnerable residents and those residents who are in financial crisis due to these changes.

## **3. Finance**

- 3.1 Government initially provided funding for the scheme in 2013. However, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to councils.
- 3.2 The aim for the 2022-23 scheme is to remain cost neutral when compared (based on the current caseload) to the current estimate expenditure of £6,542,000 for the 2021-2022 scheme. Gravesham Borough Council would bear 11% or £720,000 of this cost with the remainder incurred by major preceptors i.e., Kent County Council, Kent Police & Crime Commissioner and Kent Fire and Rescue authority.

## **4. Background Papers**

- 4.1 Anyone wishing to inspect background papers should in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS		APPENDIX 1
<b>Legal</b>	<p>Section 13A (1)(a) of the Local Government Finance Act 1992 prescribes that the council is required to have a Council Tax Reduction Scheme (CTRS). This is a discount for Council Tax based on the income of the household.</p> <p>Legal Services have advised that the Council is legally permitted to make the proposed changes, subject to carrying out an appropriate consultation. The 9 week period for the consultation has been assessed as a reasonable period of time for the consultation process.</p>	
<b>Finance and Value for Money</b>	The scheme changes have been modelled in detail in order to ensure that the changes do not exceed the cost of the existing council tax reduction scheme.	
<b>Risk Assessment</b>	<p>There is a financial risk that forecast costs of the new scheme are beyond those of the existing scheme. Detailed modelling has been conducted to help mitigate this risk based on current caseloads</p> <p>There is a risk of a negative effect on council tax collection within the relevant financial year leading to delays in collecting the following year's liability. This will be mitigated by a proposed reduction in number of changes required to be actioned reducing number of revised bills issued. Consequently, there will be a quicker, and more efficient recovery process combined with ensuring that any appropriate discounts, financial support funding are applied to support the claimant.</p>	
<b>Data Protection Impact Assessment</b>	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>	
	<p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?</p> <p>A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>N/A</p>	
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p>	
	<p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p> <p>N/A</p>	
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>Yes. A full Equality Impact Assessment has been undertaken which was submitted as an appendix to the report to Cabinet on 31 January 2022. There may be a detrimental financial impact on some residents near the bottom of an 'income' band meaning that changes move them into a lower discount bracket. However, the council will proactively identify and financially support claimants where seen that they are moving into</p>	

	financial crisis. In order to mitigate any adverse financial affect to a claimant.
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
<b>Corporate Plan</b>	<i>#1 People – Put our customers first</i> Implement a suite of quality and effective frontline services accessible to all.
<b>Climate Change</b>	There are no climate change implications resulting from this report.
<b>Crime and Disorder</b>	There are no crime and disorder implications resulting from this report.
<b>Digital and website implications</b>	The service will work with both the digital and communications teams to ensure that information on the new scheme is widely publicised and hosted appropriately.
<b>Safeguarding children and vulnerable adults</b>	There are no direct safeguarding implications resulting from this report.

