

Report to:	Cabinet Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) Council	Date of Meeting:	6 January 2022 11 January 2022 20 January 2022
Subject:	Council Tax Reduction Scheme, Council Tax Base 2022/23		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The purpose of this report is to provide details of the review of the local Council Tax Reduction Scheme for 2021/22 and to recommend that there is no change to the scheme for 2022/23 for working age claimants.

The report also provides an updated Council Tax Base for Sefton Council and each Parish area for 2022/23.

Recommendation(s):

Cabinet:

- (1) Notes the contents of the review of the Council Tax Reduction Scheme for the current financial year, 2021/22.
- (2) Recommend to Council that there are no changes to the existing Scheme for 2022/23 for working age claimants.
- (3) Recommend that Council approves the relevant Council Tax Base for Sefton Council and each Parish Area for 2022/23 as set out in Annex A.

Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services):

(1) That the report be noted.

Council:

- (1) Notes the contents of the review of the Council Tax Reduction Scheme for the current financial year, 2021/22.
- (2) Approve that there are no changes to the existing Scheme for working age claimants for 2022/23.
- (3) Approve the relevant 2022/23 Council Tax Base for Sefton Council and each Parish Area as set out in Annex A.

Reasons for the Recommendation(s):

Council Tax Reduction Scheme

Each financial year, the Council must consider whether to revise or replace its local Council Tax Reduction Scheme. The Council must approve and adopt the 2022/23 Council Tax Reduction Scheme by 11 March 2022, as set out in the Council Tax Reduction Scheme (Amendment) (England) Regulations 2017.

The report provides an update on key aspects of the local Council Tax Reduction Scheme. After consideration of the factors outlined later in the report it is proposed that the local Council Tax Reduction Scheme for 2022/23 remains unchanged for working age claimants.

Council Tax Base

In accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as amended, the Council is required to set a tax base for both Sefton Council and for each Parish Area for 2022/23 before 31st January 2022.

Alternative Options Considered and Rejected: (including any Risk Implications)

Council Tax Reduction Scheme

The Council Tax Reduction Scheme was last revised in 2018/19 following a public consultation process. The changes introduced then continue to address the Council's priorities to minimise the impact on vulnerable residents, by striking a balance between dealing with Council priorities. Ongoing monitoring and evaluation assess the impact of those changes to ensure that they remain fit for purpose. No alternative options have been considered for 2022/23.

What will it cost and how will it be financed?

(A) Revenue Costs

Council Tax Reduction Scheme 2022/23

There would be no additional revenue implications because of a decision to retain the current scheme. The cost of the current council tax reduction scheme discounts has been reflected in the council tax base.

Council Tax Base

Changes to the council tax base will have an impact on the level of Council Tax income transferred from the Collection Fund to the Council's General Fund in 2022/23. It will also impact on the amounts due to the Police and Crime Commissioner, the Fire and Rescue Service, and the Combined Authority.

The following table shows the impact of the changes to the tax base between 2021/22 and 2022/23, based on the 2021/22 Council Tax Band D charge:

Council Tax Income	Sefton Council £ million	Police & Crime £ million	Fire & Rescue £ million	Combined Authority £ million
Budget 2021/22	141.829	18.775	6.783	1.572
Forecast 2022/23	144.312	19.104	6.902	1.599
Change	2.483	0.329	0.119	0.027

(B) Capital Costs

No capital costs applicable.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

The local Council Tax Reduction Scheme will continue to be administered from existing resources.

Legal Implications:

Local Council Tax Reduction Scheme

By Section 5 of Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) for each financial year each billing authority must:

- a. Consider whether to revise its Council Tax Reduction Scheme or to replace it with another scheme
- b. Make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement is to have effect.
- c. If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of person is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.

- d. Before revising its scheme or making a replacement scheme, an authority must:
- i. Consult any major precepting authority which has power to issue a precept to it.
 - ii. Publish a draft scheme in such manner as it thinks fit, and
 - iii. Consult other such persons as it considers are likely to have an interest in the operation of the scheme.

Equality Implications:

The equality implications have been identified and mitigated.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y

There is no Climate Emergency impact resultant from the recommendations of this report.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

The Council Reduction Scheme proposed for 2022/23 will help to maintain fairness and consistency. The Scheme provides support to those experiencing financial hardship as well as supporting those making the transition to Universal Credit.

Facilitate confident and resilient communities: Not applicable

Commission, broker and provide core services: Not applicable

Place – leadership and influencer: Not applicable

Drivers of change and reform: Not applicable

Facilitate sustainable economic prosperity: Provide support to those in financial hardship as well as supporting people into work.

Greater income for social investment: Not applicable

Cleaner Greener: Not applicable

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6637/21) and the Chief Legal and Democratic Officer (LD4838/) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Details of the review of the local Council Tax Reduction Scheme and the Council Tax Base are provided to the precepting bodies, i.e. the Police and Crime Commissioner, Merseyside Fire and Rescue Service and the Liverpool City Region Combined Authority.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet recommendation to Council and approval by Council on 20th January 2022.

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Appendices:

Annex A: Council Tax Base Report 2022/23

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

Local Council Tax Reduction Scheme

1.1 Introduction/Background

1.2 Local Council Tax Reduction replaced Council Tax Benefit (CTB) from 1st April 2013. The Council Tax Reduction Scheme is a discount awarded to households on a low income to help towards Council Tax payments. The amount awarded is based on a person’s household and income. The local scheme rules only apply to working-age Council Taxpayers. Pensioners are protected by legislation and must be provided with the level of Council Tax support specified by the Government.

1.3 The grant transferred to the Council, Police and Crime Commissioner and Fire Service in 2013/14, £24.2M; to fund the local scheme was £3M lower than had previously been provided to fund CTB in 2012/13. The Council therefore had to introduce changes to the national default Council Tax Support Scheme to

ensure that the local scheme was cost neutral. As the Government had specified the level of support that had to be provided to pensioners, the saving requirement had to be met by reducing the level of support available to working age claimants and through changes to Council Tax empty property discounts.

- 1.4 The Council is required, by law, to review the Scheme each year irrespective of whether it is being amended.
- 1.5 The Council Tax Reduction Scheme for 2022/23 must be agreed by Council by 11th March 2022.

2. Review of the Council Tax Reduction Scheme for 2021/22

2.1 To satisfy the requirement to review the Scheme, the following areas have been evaluated:

- Claimant caseload
- Scheme expenditure
- Impact on most vulnerable claimants
- Council Tax collection
- Attachment of Benefits
- Review of the Council's principles for the Scheme
- Council Tax Exceptional Hardship Fund.

2.2 Claimant Caseload

The table below shows the caseload data at 30th September 2021 compared to caseload data at the end of each year since the Council Tax Reduction Scheme was introduced in 2013/14:

Year	Date	Pensioners	Working Age	Total	Change
2013/14	03.04.14	14,655	16,025	30,680	n/a
2014/15	01.04.15	13,925	15,349	29,274	-1,406
2015/16	31.03.16	13,206	14,886	28,092	-1,182
2016/17	31.03.17	12,541	14,524	27,065	-1,027
2017/18	31.03.18	11,970	14,005	25,975	-1,090
2018/19	31.03.19	11,404	14,160	25,564	-411
2019/20	31.03.20	10,871	14,326	25,197	-367
2020/21	31.03.21	10,491	15,519	26,010	+813
2021/22	30.09.21	10,395	15,170	25,565	-445

The working age caseload can be split further:

Year	Date	Employed	Other	Total	Change
2013/14	03.04.14	2,874	13,151	16,025	n/a

2014/15	01.04.15	2,748	12,601	15,349	-676
2015/16	31.03.16	2,504	12,382	14,886	-463
2016/17	31.03.17	2,193	12,331	14,524	-362
2017/18	31.03.18	1,900	12,105	14,005	-519
2018/19	31.03.19	1,597	12,563	14,160	+155
2019/20	31.03.20	1,268	13,058	14,326	+166
2020/21	31.03.21	1,070	14,449	15,519	+1,193
2021/22	30.09.21	1,153	14,017	15,170	-349

2.3 Pensioner Claimants: Since the initial implementation of the scheme in 2013/14 the number of Pensioner Claimants has declined in every year. Claimant numbers reduced by -380 between 2019/20 and 2020/21. Pensioner claimant numbers have continued to fall in 2021/22.

2.4 Working Age Claimants: The number of working age claimants reduced each year between 2013/14 and 2017/18 before starting to increase in 2018/19. Claimant numbers increased significantly in 2020/21 because of the economic impact of Covid-19. Claimant numbers have reduced in the first 6 months of 2021/22; however, they are expected to rise again in the last 6 months of the year following the ending of the Coronavirus Job Retention Scheme on 30 September 2021.

2.5 Scheme Expenditure

The following table shows the Council Tax Reduction Scheme Expenditure reported in the Revenue Outturn Return compared to the mid-year estimate for 2021/22:

Year	Source	Pensioners £000	Working Age £000	Total £000	Change £000
2013/14	RO Return	13,305	9,907	23,212	n/a
2014/15	RO Return	12,152	10,364	22,516	-696
2015/16	RO Return	11,895	9,760	21,655	-861
2016/17	RO Return	11,540	10,559	22,099	+444
2017/18	RO Return	11,378	10,948	22,326	+227
2018/19	RO Return	11,695	11,069	22,764	+438
2019/20	RO Return	11,790	11,784	23,574	+810
2020/21	RO Return	11,898	13,414	25,312	+1,738
2021/22	Estimate	12,075	14,636	26,711	+1,399

Note:

2021/22 Estimate: The costs recorded at 30 September 2021 have been split based on the Pensioner and Working Age weekly costs recorded on the monthly CTR304 reports. The working age estimate includes a forecast increase in discounts of £0.665m between 1 October 2021 and 31 March 2022.

2.6 Council Tax Base Return Data

The following table provides a view of the Council Tax Reduction Scheme expenditure based on weekly payments recorded in early October as reported in the Council Tax Base Return:

Year	Source	Pensioners £000	Working Age £000	Total £000	Change £000
2013	CTB Return	12,602	10,214	22,816	n/a
2014	CTB Return	12,491	10,260	22,751	-65
2015	CTB Return	11,991	10,033	22,024	-727
2016	CTB Return	12,503	9,918	22,421	+397
2017	CTB Return	12,579	9,816	22,395	-26
2018	CTB Return	12,634	9,742	22,376	-19
2019	CTB Return	11,995	11,780	23,775	+1,399
2020	CTB Return	12,021	13,503	25,524	+1,749
2021	CTB Return	12,250	13,937	26,187	+663

2.7 Impact on the most vulnerable claimants

The local Council Tax Reduction Scheme addresses the Council's priorities to minimise the impact on the most vulnerable, by seeking to strike a balance between dealing with Council priorities whilst supporting those experiencing financial challenges. The Council, having recognised the impact on communities, has introduced a range of mitigating actions, including:

- Provision of an Exceptional Hardship Fund (see Section 2.11)
- Allowing a Universal Credit notification, received from the Department for Work and Pensions (DWP), to be treated as a claim for local Council Tax Reduction, thus removing the need for those in receipt of Universal Credit to have to make a separate claim for support towards their Council Tax.
- Making provision in the local Council Tax Reduction Scheme for awards to be backdated for up to 6-months for working-age vulnerable claimants.
- Deciding that the Council's local Council Tax Reduction scheme for working-age families should not replicate the rules that are in place in the national Housing Benefit scheme and the Council Tax Reduction Pensioner scheme whereby the removal of the family premium and the "2-child" rule restrict the level of award.
- Offering 12-month (rather than 10-month) instalment payments to Council Tax payers.
- Adopting a sensitive approach to enforcement action to consider the potential vulnerability of Council Tax Reduction claimants. Before cases are referred to Enforcement Agents a vetting stage has been introduced and cases are dealt with under a separate debt recovery process to minimise potential increases in debt.
- Establishing a co-ordinated working relationship between the Council's contracted Enforcement Agents and Citizens Advice Sefton to support people in debt. Citizens Advice Sefton has direct lines of communication with the Enforcement Agents and can arrange for recovery action to be placed on hold whilst discussing and agreeing affordable payment arrangements.

- Participating in the Debt Respite Scheme (Breathing Space) which started on 04th May 2021. The scheme gives someone in problem debt the right to legal protections from creditor action, including most enforcement action, contact from creditors and freezing most interest and charges on debts. This enables a debt advice provider, who must be authorised by the Financial Conduct Authority, who wants to set up a breathing space for their client, time to arrange an appropriate debt solution. Standard breathing space, i.e. up to 60-days, is available to anyone with problem debt. A mental health crisis breathing space is available to a client who is receiving mental health crisis treatment. If an Approved Mental Health Professional (AMHP) certifies a client is in mental health crisis treatment, the client or someone else might apply for a mental health crisis breathing space on the client's behalf. The mental health crisis breathing space has some stronger protections than the standard breathing space. It lasts as long as the client's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts). Upon receipt of notifications, all areas dealing with debt recovery in the Council, including Council Tax, Business Rates, Sundry Debt, Housing Benefit Overpayments and Parking Services receive notifications to hold action on any recovery activity for at least 60 days. During the period 4th May – 15th November 2021, the Council has received notification of 80 customers in Breathing Space of which 53 have now expired. Over 95% of these applications were in respect of Council Tax debt only.
- Implementing processes for Council staff to refer claimants to the Money Advice and Pension Service, or Citizens Advice Sefton for help and support with debt/budgeting advice or making/maintaining their Universal Credit claim.
- Putting an escalation process in place for the debt advisor based at South Sefton foodbank to contact nominated Council Tax staff to request a hold on recovery action or discuss affordable payment arrangements.
- Participating in Sefton's Welfare Reform Anti-Poverty Partner's Group – staff from the Council's Council Tax and Benefit team, work with partner organisations and other Council services to support residents suffering financial vulnerability and to provide practical support such as signposting claimants for winter coats, school uniforms.

2.8 Council Tax Collection

The table below shows the amount of Council Tax billed and collected during 2020/21:

Recorded at 31 March 2021	Liability Raised £000	Received In Year £000	Collection Rate %

CTRS Cases - Working Age	2,565	2,085	81.3
CTRS Cases - Pensioner Age	1,512	1,573	104.0
Other Council Tax Payers	162,001	154,075	95.1
Total (in-year collection)	166,078	157,733	95.0

The in-year collection rate reduced from 97.2 % in 2012/13 under the council tax benefit system to 96.2% in 2013/14 when council tax support was localised. Since then the overall collection rate remained within a relatively narrow range from 95.8% to 96.3%. The in-year collection rate has subsequently reduced from 95.8% in 2019/20 to 95.0% in 2020/21 because of the impact of Covid-19. This is the lowest collection rate recorded to date, but higher than the average for Metropolitan Districts which was 93.8% in 2020/21.

Council Tax Collection 2021/22

As at 31st October 2021, the in-year Council Tax collection figure was 62.91%. compared to 62.94% in 2020/21.

The main reason for the lower collection rate has been the impact of Covid-19 on the economy. The Council has adopted a sensitive approach to Council Tax collection throughout the pandemic as detailed below. As restrictions have eased the Council is transitioning back to a regular programme of recovery and enforcement: -

- A greater awareness of vulnerability has meant that as soon as an issue is identified, in most cases, recovery action is placed on hold whilst the vulnerability aspect is assessed. It may result in the Council entering payment arrangements which take slightly longer to repay because of a genuine financial vulnerability being identified.
- There was no recovery action taken on accounts for 2020/21 until 30th June 2020 when the Council began a programme of issuing 'soft reminder' to encourage payment or to make contact to discuss any debt issues a taxpayer may be experiencing.
- The emphasis of the soft reminder letters was to encourage engagement with the Council to discuss options around payment arrangements and to advise about the support that is available, such as the Exceptional Hardship Fund, benefits advice, and signposting to debt advice agencies for help with managing finances.
- Formal recovery action, initially in the form of reminders, was commenced in January 2021. Regular discussions take place with the Magistrates Courts, in conjunction with colleagues across the Liverpool City Region, to deal with the backlog of cases in debt. First summonses were issued for a hearing in March 2021 with a normal recovery programme being established by August 2021. As a Liability Order must be obtained prior to taking deductions from benefits and earnings, and to refer cases to Enforcement Agents, there has been a reduction in revenue from these recovery options.

2.9 Attachment of Benefits

Since the introduction of the Council Tax Reduction Scheme in April 2013 the number of working age claimants falling into arrears continues to grow. One recovery option open

to the Council in respect of benefit claimants is to apply for an Attachment of Benefit (AOB) via the courts. Under this option the Council can now require a payment of £3.75 per week to be made by the DWP directly from the claimant's benefits to meet Council Tax arrears. The rate for Universal Credit claimants is £20.89 per month.

Payments by AOB do provide some certainty to both the Council and the debtor. For the Council, the payments do guarantee regular income from the debtor. For the debtor, there is the security of knowing that a debt is being paid by a deduction from their benefit.

However, AOB is not a perfect solution to the problem of growing debt for the following reasons: -

- An AOB cannot be applied without first having taken the debtor to court to obtain a Liability Order. Due to the need to follow the correct legislative timeline for obtaining a Liability Order, payment by AOB cannot commence until part-way through the year. Typically for a bill issued in March the first payments would not be made by the DWP until August of the same year.
- Many debtors have arrears outstanding for multiple years Council Tax. An AOB can only be used to collect one debt at a time. In addition, current legislation does not allow the Council to take any other form of debt recovery (e.g. use of Enforcement Agents) whilst an AOB is in place. To mitigate this, letters have been issued to people on AOB asking them to contact the Council for advice, to make alternate payment arrangements or seek financial advice from Citizens Advice Sefton. However, this initiative met with only a few people contacting the Council to make payment arrangements.
- Collection of Council Tax debt by way of AOB is not the highest priority of debt administered by the DWP. The level of recovery will therefore be affected when a person has multiple debts, e.g. rent and energy debts are given higher priority. The impact of Covid-19 meant that there was a reduction in the number of referrals to the DWP for new deductions in 2020/21.
- Many new claimants for local Council Tax Reduction have already accrued debts before an AOB can be considered.
- At the commencement of the scheme in 2013 the maximum deduction of £3.70 was lower than the minimum weekly Council Tax charge for all property bands. The minimum contribution of 20% towards the Council Tax was greater than the amount that could be collected within the year by AOB. This created a problem of debt being carried forward to the following year. Therefore, whilst debt payments were being collected regularly the amount of debt at the end of each year kept growing.
- To try and break the cycle of debt, the Council Tax Reduction Scheme was amended with effect from 1st April 2016 to reduce the minimum contribution rate to 16%. This rate was calculated so that the then AOB payment rate of £3.70 per week was more than would be due from Council Tax for many of the claimants.
- A significant number of customers have arrears for more than one financial year. As only one AOB order may be deducted at a time there has been a significant increase in the number of pending cases. These cases are effectively stacked up

until an earlier order is paid. No recovery action may be taken in the interim and the value of such cases is increasing year on year.

- The following table shows the amount of debt being recovered by AOB, and the amount of debt still waiting recovery by AOB as at 31st October 2021: -

	01.04.19	01.04.20	31.10.20	01.04.21	31.10.21
AOB in payment	£1,121,179	£1,160,881	£1,011,275	£976,248	£1,170,127
Number of cases	6,276	5,803	4,528	4,442	5,002
AOB Pending	£3,987,625	£4,382,203	£4,425,238	£4,278,022	£4,868,797
Number of cases	16,919	18,163	18,076	17,215	17,101

2.10 Review of Scheme Principles

The local Council Tax Reduction Scheme is based on five principles and the review is summarised below:

Principle	CTRS working for non-pensioner claimants?
The Council will continue to support work incentives	<p>Yes – The Council continues to operate a system which disregards certain amounts of money from customers earnings through employment and self-employment when calculating entitlement.</p> <p>This results in some additional support to those customers receiving Universal Credit who are in low paid work, following the removal of UC work allowances from April 2016</p>
The Council will continue to recognise the additional needs of our most vulnerable residents.	<p>Yes – The Council continues to make additional allowances and give additional support to those receiving certain DWP sickness benefits, disability benefits and benefits for Carers when calculating entitlement.</p> <p>Additionally, the Council continues to disregard certain disability benefits as income when calculating entitlement</p> <p>Procedures were reviewed for the collection of non-payment of Council Tax to ensure non-disproportionate impact on the most vulnerable households. Also budgeting support and advice is made available to all claimants.</p> <p>The Council Tax Exceptional Hardship Fund is</p>

	available to those in the greatest financial need with fair and transparent criteria for awards.
The Council will continue to recognise the additional needs of families with children	<p>Yes – Child Benefit and Child Maintenance payments are not considered as income when calculating entitlement to CTRS.</p> <p>Additional allowances are given when calculating entitlement for where there is a disabled child in the family.</p> <p>The CTRS also mirrors provisions in the Housing Benefit scheme by taking childcare costs into account for low income working families</p> <p>The Council continues to include the Family Premium when calculating the Council Tax Reduction. This was removed for all new Housing Benefit claims from May 2016. The Council has also chosen not to mirror the Housing Benefit scheme which restricts the amount of support given to families with more than two children within its CTRS;</p>
The Council supports households staying together to make better use of housing in Sefton and reduce homelessness.	Yes - The amount of Council Tax Reduction taken away from a customer when other adults live in the household (known as a non-dependant deduction), was reduced in 2013 and remains at those lower levels.
The Council will continue to have due regard to the Armed Forces Covenant	Yes – War Disablement and War Widows pensions in calculating CTRS, including any Armed Forces compensation in accordance with the covenant is disregarded. This also includes the service attributable element of the armed forces pension could also be disregarded as income when calculating entitlement.

2.11 Council Tax Exceptional Hardship Fund (EHF)

Covid-19 Hardship Funding 2020/21: A grant of £3,036,603 was received in 2020/21 to deliver support to economically vulnerable people and households in Sefton. 91.4% of this grant was applied to provide additional council tax hardship discounts. The remaining £261,443 was carried forward in a reserve at the year-end. Any EHF expenditure in 2021/22 more than the core budget of £170,000 will be applied against the reserve.

The fund aims to help vulnerable working age people experiencing financial hardship by reducing their Council Tax bill. Each year, approximately £20,000 is also used to fund council tax discounts for care leavers.

The fund is administrated within an agreed policy, the Discretionary Reduction in liability policy, approved by Cabinet Member for Regulatory, Compliance and Corporate Services.

2.12 Summary of local Council Tax Reduction Scheme Review 2021/22

The forecast cost of the scheme has increased by £1.399m (5.5%) in 2021/22 to £26.711m (at 30/09/21). This is due to a forecast increase in working age claimant numbers and an average council tax increase of 5.0%.

Whilst claimant numbers did increase significantly in 2020/21 because of the economic impact of Covid-19, there has been a reduction in the first 6 months of 2021/22; however, they are expected to rise again in the last 6 months of the year following the ending of the Coronavirus Job Retention Scheme on 30 September 2021.

Council Tax collection as at 31st October 2021 is at a similar level to the same point in 2020/21 and it remains challenging due to the impact on Covid-19 on the economy.

3. Council Tax Reduction Scheme - Consultation

The statutory provisions are silent on the consultation required when a council is not proposing to change its Council Tax reduction scheme.

Letters will be issued to the precepting authorities – Merseyside Police and Crime Commissioner, Merseyside Fire and Rescue Service, and the Liverpool City Region Combined Authority notifying them that no change is being proposed.

4. Local Council Tax Reduction Scheme - Equality Impact Assessment

Department for Communities and Local Government issued a report in February 2014 reminding local authorities of their key duties when deciding on local Council Tax Reduction Schemes:

- Public Sector Equality Duty (The Equality Act 2010)
- Duty to mitigate the effects of child poverty (The Child Poverty Act 2010)
- The Armed Forces Covenant
- Duty to prevent Homelessness (The Housing Act 1996)

A detailed equality assessment was undertaken and published as part of the design and implementation of CTRS for 2013/14. This assessment was comprehensively reviewed in the context of the proposed options for 2016/17 and found that there were no disproportionate impacts as the mitigating actions put in place for the 2013/14 scheme continued to be effective and still remain valid.

A further review of the equality impact assessment has recently been carried out, in particular in relation to the conclusion and recommendations identified at previous reviews. Mitigating actions put in place to support working families and vulnerable residents are regularly monitored and remain in force as follows: -

- The Council continues to provide a discretionary Exceptional Hardship Fund to assist financially vulnerable working age households and families as described in paragraph 2.11 above.
- Procedures and processes for collection of non-payment of Council Tax as set out at paragraph 2.7 above help to ensure that there is no disproportionate impact on the most vulnerable households.
- The Council continues to support the five principles set out for the Scheme as can be seen at the table at paragraph 2.10 above.
- Legislation remains in place to protect low-income pensioners from any reduction in support brought about by the introduction of the local Council Tax Reduction Scheme.

It is proposed that post-Covid, when it is anticipated that there will be less economic volatility, that an updated Equality Risk Assessment will be carried out for the Council Tax Reduction Scheme.

5. Conclusion

As a result of the work undertaken, it is proposed that no changes are made to the Council's local Council Tax Reduction Scheme for 2022/23. Maintaining the Scheme will continue to address the Council's focus to minimise the impact on the most vulnerable households by striking a balance between collecting Council Tax whilst supporting those experiencing financial challenges.

In addition, there would be no additional revenue implications because of a decision to retain the current scheme, with the cost of the current Scheme discounts reflected in the council tax base.

SETTING THE COUNCIL TAX BASE FOR 2022/23**1. Setting the Council Tax Base**

- 1.1 The council tax base is the link between the Council's budget and the level of council tax. The tax base will be used to calculate the council tax in Sefton, once the Council's budget has been agreed. The Council is required to calculate its own tax base as well as the tax base for each parish council within its boundary and have them approved by the 31 January 2022.
- 1.2 The calculation of the council tax base takes into account many factors such as the rate of new building and the trends in people living on their own (Sole Occupier Discounts).
- 1.3 The tax base calculation assumes a collection rate of 97.0% in 2022/23, which is unchanged from the rate applied in 2021/22. This reflects the negative impact Covid-19 has had on council tax collection in the past two years.

2. Council Tax Base for Sefton Council in 2022/23

- 2.1 The tax base for 2022/23 is **84,170.4** Band D equivalent dwellings for Sefton Metropolitan Borough Council. This is an increase of 1,448.3 (+1.75%) in comparison with the tax base for 2021/22. An analysis of the changes between the 2021/22 and the 2022/23 tax base is provided in the table below:

Tax Base for Sefton Council		Band D Equivalents		
		2021/22	2022/23	Change
H	<u>Chargeable Dwellings</u>			
	Dwellings on the Banding List	111,551.2	112,241.1	689.9
	Exempt Dwellings	-2,216.8	-2,313.0	-96.2
	Disabled Persons Reductions	-150.2	-148.7	1.5
		109,184.2	109,779.4	595.2
Q	<u>Discounts</u>			
	Sole Occupier & Status Discounts	-10,278.5	-10,378.2	-99.7
	Empty Property Discounts	-49.4	-27.6	21.8
	Total	-10,327.9	-10,405.8	-77.9
E	Empty Homes Premium	704.0	707.3	3.3
J	<u>Adjustments</u>			
	Additions to the Banding List	121.7	421.0	299.3
	Banding Reductions	-167.3	-145.9	21.4
	Exemptions, Discounts, & Premium	-634.4	-651.9	-17.5
		-680.0	-376.8	303.2
Z	Council Tax Support Scheme	-13,608.0	-12,938.7	669.3
B	Collection Rate Adjustment	-2,558.2	-2,603.0	-44.8
	MOD Properties	8.0	8.0	0.0
Council Tax Base		82,722.1	84,170.4	1,448.3

2.2 The main reasons for the changes in the tax base are:

Dwellings on the Banding List: The number of properties on Banding List has increased by 748 (0.6%) in the year.

Exempt Dwellings: The number of dwellings subject to a specific exemption (Class A to W) have increased by 102 (3.8%). The largest increases were in the number of Class F exemptions (dwellings left empty by deceased persons) and Class N exemptions (dwellings occupied only by students, the foreign spouses of students, or school and college leavers').

Sole Occupier & Status Discounts: The number of dwellings receiving a 25% discount due to single occupancy has increased by 511 (1.1%).

Additions to the Banding List: There are some significant housing developments currently taking place in the borough. Consequently, a higher level of new housing additions has been forecast for 2022/23.

Council Tax Support Scheme (CTRS): The number of working age claimants has reduced in the year following the end of Covid-19 restrictions.

3. Council Tax Base in Parish Areas for 2022/23

3.1 There are also new tax base figures for each parish area in 2022/23. The following table provides details of the new tax base for each parish compared to 2021/22:

Tax Base for Parish Areas	Band D Equivalents			%
	2021/22	2022/23	Change	Change
Parish of Aintree Village	2,017.8	2,029.6	11.8	0.6%
Parish of Formby	9,010.7	9,071.9	61.2	0.7%
Parish of Hightown	855.0	859.3	4.3	0.5%
Parish of Ince Blundell	166.0	165.9	-0.1	-0.1%
Parish of Little Altcar	327.2	336.6	9.4	2.9%
Parish of Lydiate	2,028.6	2,085.2	56.6	2.8%
Parish of Maghull	6,697.7	6,798.9	101.2	1.5%
Parish of Melling	1,029.5	1,092.0	62.5	6.1%
Parish of Sefton	247.5	278.2	30.7	12.4%
Parish of Thornton	767.4	777.0	9.6	1.3%

3.2 The tax base calculation for each of the parish areas is based on the same assumptions made in the calculation for Sefton Metropolitan Borough Council.

3.3 The higher percentage increases in Melling and Sefton are largely due to housing development in those areas. Ince Blundell is the only parish area to see a reduction which is due to an increase in net exemptions and discounts.