

Report to Council

1 March 2022

By Cabinet Member for Finance

DECISION REQUIRED REPORT



**Horsham
District
Council**

Not Exempt

2022-23 Council Tax Reduction Scheme – amendment to the regulations affecting the scheme

Executive Summary

Council approved the 2022-23 Council Tax Reduction Scheme on 9 February 2022.

As a consequence of the £150 Energy Bills Rebate Scheme, the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 were laid before Parliament and came into force on 12 February 2022. These regulations require all local council tax support schemes (including those for working age and pension age persons) from 1 April 2022 to disregard Energy Bills Rebate payments received by applicants.

An amendment to include this disregard is therefore required to our Council Tax Reduction Scheme and must be approved at a meeting of the full council no later than 11 March 2022.

Recommendations

That Council:

- i) approve the amendment to the 2022-23 Council Tax Reduction Scheme so that from 1 April 2022, Energy Bills Rebate payments received by applicants are disregarded.

Reasons for Recommendations

- i) To comply with the Regulations.

Background papers

- 2022-23 Council Tax Reduction Scheme (9 February 2022)
- Links to the regulations and the associated Explanatory Memorandum are below.

<https://www.legislation.gov.uk/ukxi/2022/127/contents/made>

https://www.legislation.gov.uk/ukxi/2022/127/pdfs/ukxiem_20220127_en.pdf

Wards affected: All

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Background Information

1 Introduction and background

- 1.1 Council approved the 2022-23 Council Tax Reduction Scheme on 9 February 2022.
- 1.2 As a consequence of the £150 Energy Bills Rebate Scheme, the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 were laid before Parliament and came into force on 12 February 2022.
- 1.3 These regulations require all local council tax support schemes (including those for working age and pension age persons) from 1 April 2022 to disregard Energy Bills Rebate payments received by applicants.

2 Relevant Council policy

- 2.1 The design and funding of the Council Tax Reduction scheme forms part of delivering a balanced budget in the medium term, as detailed in the Corporate Plan.

3 Details

- 3.1 This instrument requires local authorities in England responsible for the administration and collection of council tax (“billing authorities”) to provide information about the Energy Rebate Scheme 2022 to households in council tax bands A-D who receive a bill in respect of 1 April 2022. The instrument will also ensure that any reduction provided to council taxpayers under a local council tax support scheme is unaffected by payments received under the Energy Rebate Scheme.
- 3.2 The purpose of the Energy Rebate Scheme is to alleviate financial pressures on households. It is therefore essential to ensure that it does not create adverse financial consequences for people on low incomes who already receive support through income-based council tax support schemes.

4 Next steps

- 4.1 The Council Tax Reduction Scheme will be updated to include this amendment to disregard payments received under the Energy Rebate Scheme.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 Due to timeframe and mandatory nature of the Regulations, it was not practicable to convene and consult the Finance Policy and Advisory Group. The Leader, the Cabinet Member for Finance and the Chairman were consulted.
- 5.2 The Monitoring Officer and the Director of Corporate Resources were consulted and confirmed that a full Council meeting should be convened to ensure legal and financial probity.

6 Other courses of action considered but rejected

6.1 None – the Regulations require this amendment.

7 Resource consequences

7.1 There are no resource consequences from this amendment to the policy.

8 Legal considerations and implications

8.1 Part 1 of the Local Government Finance Act 1992 (“the 1992 Act”) concerns council tax in England and Wales. Under the 1992 Act billing authorities are required to levy and collect council tax in respect of dwellings situated in their areas (see section 1(1) and (2) of that Act). Under powers in Schedule 2 to the 1992 Act, the Secretary of State may require billing authorities to serve a notice on a person before they are liable for council tax, and may specify matters that must be included in the notice. The requirement to serve a demand notice is included in regulation 18 of the Council Tax (Administration and Enforcement) Regulations 1992 (S.I. 1992/613). The Council Tax (Demand Notices) (England) Regulations 2011 (“the Demand Notice Regulations”) (S.I. 2011/3038) prescribe the information which must be contained in a notice (see regulation 5 of, and Schedule 1 to, those Regulations) and the information which must be provided with the notice (see regulation 6 of, and Schedule 2 to, those Regulations).

8.2 Section 13A of the Local Government Finance Act 1992 requires billing authorities to make a scheme reducing the amount of council tax payable by those whom the authority considers to be in financial need. Schedule 1A to that Act sets out the particular matters that a scheme must include and the process by which the scheme must be made. The Secretary of State may prescribe other matters that must be included in the scheme and has done so in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the Prescribed Requirements Regulations”) (S.I. 2012/2885).

9 Risk assessment

9.1 There are no risks associated with this change to the regulations.

10 Procurement implications

10.1 There are no procurement implications.

11. Equalities and Human Rights implications / Public Sector Equality Duty

11.1 The regulations have been put in place to ensure that it does not create adverse financial consequences for people on low incomes who already receive support through income-based council tax support schemes. No other impact is expected.

12 Environmental implications

12.1 There are no environmental implications from this change to the regulations.

13 Other considerations

13.1 There are no other considerations from this change to the regulations.