

EXECUTIVE

Tuesday, 3 January 2023

6.00 pm

**Committee Rooms 1 and 2,
City Hall, Beaumont Fee,
Lincoln, LN1 1DD**

Membership: Councillors Ric Metcalfe (Chair), Donald Nannestad (Vice-Chair),
Chris Burke, Sue Burke, Bob Bushell and Neil Murray

Officers attending: Angela Andrews, Democratic Services, Kate Ellis, Jaclyn Gibson,
Daren Turner, Simon Walters and Carolyn Wheater

A G E N D A

SECTION A

Page(s)

1. Declarations of Interest

Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.

2. Confirmation of Minutes -12 December 2022

3 - 6

OUR PEOPLE AND RESOURCES

3. Council Tax Base 2023/24

7 - 14

4. Localised Council Tax Support Scheme 2023/24

15 - 44

5. Collection Fund Surplus/Deficit - Council Tax

45 - 50

REMARKABLE PLACE

6. St Giles Community Centre

51 - 56

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Present: Councillor Ric Metcalfe (*in the Chair*),
Councillor Donald Nannestad, Councillor Chris Burke,
Councillor Sue Burke, Councillor Bob Bushell and
Councillor Neil Murray

Apologies for Absence: None.

58. Confirmation of Minutes - 21 November 2022

RESOLVED that the minutes of the meeting held on 21 November 2022 be confirmed and signed by the Leader as a correct record.

59. Declarations of Interest

No declarations of interest were received.

60. John Dawber Garden

Purpose of Report

To consider a request to transfer, under a lease, the care and maintenance of the John Dawber Gardens from the City Council to a dedicated trust.

Decision

That a 5 year lease in principle be agreed by the Council as the basis of terms with the Dawber Gardens Community Trust, subject to the findings of the advertisement, delegating the decision to proceed, and final format of any legal agreement to the Director of Communities and Environment, the Chief Finance Officer and the City Solicitor. Progress to be reviewed in 12 months' time.

Alternative Options Considered and Rejected

1. To not support the long lease request.
2. To consider an alternative arrangement of a management agreement.

A Management Agreement would not constitute a transferable interest in the property in the hands of the Trust or offer the Trust any security of tenure beyond a reasonable notice period for termination. In the absence of a lease (typically requiring 25 years), the Trust may be unable to raise finance or accept grant funding if needing to be secured against a longer term interest in the property.

Reasons for the Decision

In 1986 the City Council formerly opened the John Dawber gardens, within the Lawn complex, a collaborative endeavour with the John Dawber Trust.

The project celebrated both the City's twining links and the county's connection with the great plant hunter and botanist, Sir Joseph Banks.

Originally the gardens were associated with an adjacent heated conservatory, but due to the prolonged period of austerity, and associated Council funding restrictions, the conservatory had to be removed. Funding for the garden had remained very basic. Consequently, the planting and infrastructure was 36 years old, and now in need of a total refurbishment throughout.

In recognition that the Council was now entering yet another challenging period for funding, it had to be stated that there was no prospect of internal funding being available in the short/medium term.

The Council had recently received a request for a lease for the site from a newly formed group dedicated to the care and maintenance of the site.

The group, having applied for formal charitable trust status, comprised a number of interested parties including local residents, volunteers on the site previously, some with experience of charitable trusts such as Liquorice Park and the John Dawber Trust.

The newly formed Dawber Gardens Community Trust had submitted to the council an outline of how they would like to proceed. Suffice to say it proposed to rejuvenate the gardens by a combination of volunteer works, investment from businesses and groups of businesses within the city, and by seeking external funding.

61. Recommendation from Committee- Performance Scrutiny Committee - 17 November 2022 - Operational Performance Report Quarter 2 - 2022/23

Purpose of Report

To consider a request from Performance Scrutiny Committee to report back into that Committee on future cost saving decisions taken which impacted on performance in terms of how service level provision was affected.

Decision

The Leader of the Council to give an assurance to the Chair of Performance Scrutiny Committee that the Council was always mindful but also explicit on the implications of reducing future service level provision where it had to be made.

Alternative Options Considered and Rejected

None.

Reasons for the Decision

This request was made by Performance Scrutiny Committee in its remit to scrutinise Council performance.

62. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

63. Management of Change Leisure/Recreation

Purpose of Report

To seek approval on the Management of Change Business Case proposal within the Leisure and Recreation Service as detailed within Appendix 1 of the officer's report.

Decision

That the recommendations contained within the Business Case attached at Appendix 1 of the report be approved.

Alternative Options Considered and Rejected

Alternative options considered and rejected were set out in the report.

Reason for Decision

The reason for the decision was set out in the report.

64. Write Outs of Irrecoverable Non Domestic Rates, Sundry Debts, Former Tenant Arrears, Council Tax and Overpayment of Housing Benefit

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

That the recommendations to the Executive, as set out in the exempt report, be approved.

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.

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SUBJECT: COUNCIL TAX BASE 2023/24

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: MARTIN WALMSLEY, ASSISTANT DIRECTOR – SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 The purpose of this report is to seek Executives' recommendation of the Council Tax Base for the financial year 2023/24.

2. Executive Summary

- 2.1 This report is submitted to the Executive each year and sets out the calculation of the Council Tax Base for the following financial year.

3. Background

- 3.1 The Local Government Finance Act 1992 and Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) require the Council to formally set its Tax Base as the first stage of the Council Tax setting process.

4. Special Items

- 4.1 Before setting the Council Tax Base, the issue of any special items relating to a part of the Council's area must be considered. If there are any items of expenditure that relate to one part of the local authority area, then that expenditure can be levied on those residents in that area and not on others.
- 4.2 There are no items of special expenditure.

5. Council Tax Base

- 5.1 Certain assumptions have to be made in order to determine the number of dwellings within the Authority's area, and these are set out in Appendix A.
- 5.2 The calculation of the Council Tax Base, detailed in Appendix B, is based upon the number of dwellings on the Valuation List, provided by the Government's Valuation Office. The figures are adjusted for exempt dwellings and for dwellings subject to disabled reduction. The number of chargeable dwellings in each band is further adjusted for discounts, exemptions, premiums, and Council Tax Support. The resultant figure is the total equivalent number of dwellings which are then converted using ratios into the number of Band D equivalents. For 2023/24, the equivalent number of Band D properties is calculated at 25,636.01
- 5.3 The Council Tax Base is finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which has been assumed

at 98.25% for 2023/24. This is the estimate of the percentage of the 2023/24 Council Tax set which will be collected in total, and not the expected in-year collection rate in 2023/24. This results in a proposed Council Tax base for 2023/24 of 25,249.48.

6. Strategic Priorities

6.1 There are no direct implications for the Council's Strategic Priorities arising as a result of this report.

7. Organisational Impacts

7.1 Financial

The Council must confirm its Council Tax Base as a pre-requisite to setting the Council Tax charge for 2023/24.

7.2 Legal Implications

The Local Government Finance Act 1992 and Statutory Instrument No 1992/612 – Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) set out the requirement for the Council to confirm and formally approve its Council Tax Base and notify it to its precepting bodies. The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 provide for Councils to make technical changes to certain discounts from April 2013.

7.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

8. Risk Implications

8.1 The key risk associated to this report are financial, in terms of the accuracy of the forecasted Council Tax Base. Any variance between the Base and the final Council Tax liability in 2023/24 will result in the declaration of either a surplus or deficit on the Collection Fund.

9. Recommendations

9.1 The Executive is asked to recommend to Council that it:

- a) Notes that there are no special items as defined in Section 35 of the Local Government Finance Act 1992 (as amended) applicable to any part or parts of the City of Lincoln local authority area;
- b) Approves the Chief Finance Officers' calculation of the Council Tax Base for the financial year commencing 1st April 2022 and ending 31st March 2023, as set out in Appendix B of this report;
- c) Approves, in accordance with the Chief Finance Officers' calculation, and pursuant to the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), that the Council Tax Base for the 2023/24 financial year is 25,249.48.

Key Decision	No
Do the Exempt Information Categories Apply	No
Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	Yes
If Yes, how many Appendices?	Two
List of Background Papers:	None
Lead Officer:	Martin Walmsley, Assistant Director – Shared Revenues and Benefits, Telephone (01522) 873597

APPENDIX A: Executive 3rd January 2023

Assumptions made in the Calculation of the Council Tax Base (See APPENDIX B)

Number of Dwellings:	The number of dwellings on the Council's database as at 30 th November 2022.
Exempt properties:	These are laid down by Regulations and are properties exempt from Council Tax, e.g., student occupied property. The total in each of the exemption categories has been calculated as at 30 th November 2022 and it has been assumed that the exemption will remain throughout 2023/24.
Disabled relief:	These are properties that are occupied by disabled persons and may be placed in a lower valuation band if they fulfil the criteria laid down by the Regulations. The number of these properties has been calculated at 30 th November 2022 and it has been assumed that the relief will remain throughout 2023/24.
Discounts on relevant Day – i.e., 25%, 50%, 10% + 100% levy:	These are laid down by Regulations, in addition to technical changes introduced from April 2013, and are properties subject to a percentage discount from the Council Tax, i.e., second homes, single person households or empty properties. The total in each of the discount categories has been calculated as at 30 th November 2022 and it has been assumed that the discount will remain throughout 2023/24.
Net additions expected In year:	This is an estimate of the number of dwellings known to be currently under construction plus the anticipated number to be constructed throughout 2023/24. Account is taken where dwellings will not come into a charge until part way through the year. Adjustments to discounts and exemptions and appeals are also taken into account.
Council Tax Support:	These are estimates of the amount of Council Tax Support to be granted in 2023/24 (localised replacement scheme for Council Tax Benefit from April 2013).
Collection Rate:	It is assumed that 98.25% of the Council Tax due for 2023/24 will be collected.

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Appendix B

City of Lincoln - 2023/24 Council Tax Base Estimate as at 30th November 2022 / Executive 3rd January 2023 - Appendix B

Valuation Bands	A-	A	B	C	D	E	F	G	H	Year 2023/24
VO Schedule		28305.00	9073.00	4925.00	2551.00	1436.00	516.00	136.00	46.00	46988.00
Exemptions Under Classes B,D-W		-2260.00	-439.00	-208.00	-104.00	-315.00	-124.00	-3.00	-22.00	-3475.00
Subtotal		26045.00	8634.00	4717.00	2447.00	1121.00	392.00	133.00	24.00	43513.00
Disabled bands		51.00	51.00	43.00	28.00	12.00	7.00	4.00	8.00	204.00
adjusted disabled band	51.00	51.00	43.00	28.00	12.00	7.00	4.00	8.00		204.00
Subtotal	51.00	26045.00	8626.00	4702.00	2431.00	1116.00	389.00	137.00	16.00	43513.00
25% Discounts	-5.25	-3116.00	-709.50	-342.00	-142.25	-53.50	-18.50	-2.25	0.00	-4389.25
50% Discounts	0.00	-13.00	-5.50	-2.00	-3.00	-2.00	-2.00	-5.50	-4.00	-37.00
100% Discounts	0.00	-133.00	-20.00	-9.00	-2.00	-1.00	0.00	0.00	-1.00	-166.00
50% levy (Premium on empty homes - discretionary)	0.00	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00	1.00
100% Levy (Premium on homes empty 2-5 years)	0.00	55.00	11.00	2.00	5.00	2.00	2.00	1.00	0.00	78.00
200% Levy (Premium on homes empty 5-10 years)	0.00	30.00	2.00	0.00	0.00	2.00	0.00	0.00	0.00	34.00
300% Levy (Premium on homes empty 10+ years)	0.00	54.00	6.00	3.00	0.00	0.00	0.00	3.00	0.00	66.00
Council Tax Support (Pension Age)	-3.42	-1573.14	-257.78	-104.46	-17.71	-7.65	-0.99	0.00	0.00	-1965.15
Council Tax Support (Working Age)	-20.69	-3848.25	-281.33	-57.24	-19.02	-6.12	-0.88	0.00	0.00	-4233.53
Estimated Future Adjustment	0.00	200.00	40.00	10.00	5.00	3.00	1.00	1.00	0.00	260.00
Adjusted dwellings	21.63	17701.11	7410.89	4202.29	2257.53	1052.74	369.62	134.25	11.00	33161.06
RATIO TO BAND D	5/9th	6/9th	7/9th	8/9th	9/9th	11/9th	13/9th	15/9th	18/9th	
Band D equivalent	12.02	11800.74	5764.02	3735.37	2257.53	1286.68	533.90	223.75	22.00	25636.01
Less Estimated non-collection (1.75%)	-0.21	-206.51	-100.87	-65.37	-39.51	-22.52	-9.34	-3.92	-0.39	-448.63
Crown properties (Band D Equivalent)		0.00	5.06	23.56	33.50					62.10
Council Tax Base	11.81	11594.23	5668.21	3693.56	2251.52	1264.16	524.56	219.83	21.62	25249.48

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SUBJECT: LOCALISED COUNCIL TAX SUPPORT SCHEME 2023/24

DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK

REPORT AUTHOR: MARTIN WALMSLEY, ASSISTANT DIRECTOR – SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To provide information regarding the outcome of consultation regarding 2023/24 Council Tax Support scheme options.
- 1.2 To propose options for a Council Tax Support scheme for the 2023/24 financial year, which must be approved by Council before 31st January 2022.

2. Background

- 2.1 The Council Tax Benefit system was abolished on 31st March 2013 and replaced by the Council Tax Support (CTS) Scheme. This scheme can be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders and residents. As at 24th August 2022, there were 8,441 residents claiming Council Tax Support in the City of Lincoln. 2,636 are pensioners who are protected under the legislation and receive CTS as prescribed by the Government (broadly similar to the level of Council Tax Benefit). It is the 5,805 working age (including those classified as 'vulnerable' for CTS purposes) claimants where a local scheme can be determined which can change the level of support provided.
- 2.2 Unless a decision by the Council is made to apply scheme changes to vulnerable working-age customers, the localised CTS scheme would historically only be applied to non-vulnerable working age. Vulnerable working-age customers are those that have one of the following for CTS purposes:
 - Disability Premium;
 - Enhanced Disability Premium;
 - Severe Disability Premium;
 - Disabled Child Premium;
 - In receipt of a war pension;
 - Qualifies for disabled or long-term sick earnings disregard;
 - Employment and Support Allowance (income-related, where the support or work-related component is received and has been recorded separately).

The split of the 5,805 working age CTS recipients is as follows:

- Working age – vulnerable: 3,110;
- Working age (not vulnerable): 2,695.

- 2.3 The initial City of Lincoln CTS Scheme from 2013/14 effectively 'protected' working age Council Tax payers seeking support, retaining eligible entitlement of up to 100% and not restricting other areas of entitlement calculation. However, in recent years the scheme has changed in light of increasing scheme costs and budget pressures.
- 2.4 The proposed CTS scheme must go through certain steps to comply with the provisions stated in the Local Government Finance Act 2012, before it can be adopted by this Council as a Billing Authority:-

- *Before making a scheme, the authority must (in the following order):-*
 - *Consult any major precepting authority which has power to issue a precept to it,*
 - *Publish a draft scheme in such manner as it thinks fit, and*
 - *Consult such other persons as it considers are likely to have an interest in the operation of the scheme.*

3. Changes in Caseload

- 3.1 Whilst for a period of time claimant levels remained stable, Covid-19 had an impact on the amount of CTS awarded, with significant increases in caseload and cost of the scheme.
- 3.2 The table below shows how Lincoln's CTS caseload has changed over the last three years.

	Working age	Pension age	Total
September 2019	5,639	2,903	8,542
October 2019	5,626	2,878	8,504
November 2019	5,578	2,881	8,459
December 2019	5,578	2,881	8,459
January 2020	5,601	2,865	8,466
February 2020	5,586	2,865	8,451
March 2020	5,638	2,853	8,491
April 2020	5,684	2,840	8,524
May 2020	5,972	2,835	8,807
June 2020	6,197	2,842	9,039
July 2020	6,159	2,832	8,991
August 2020	6,177	2,814	9,021
September 2020	6,225	2,806	9,031
October 2020	6,163	2,797	8,969
November 2020	6,193	2,786	8,979
December 2020	6,182	2,773	8,955
January 2021	6,227	2,754	8,981
February 2021	6,227	2,754	8,981
March 2021	6,227	2,747	8,974
April 2021	6,253	2,726	8,979
May 2021	6,250	2,726	8,976
June 2021	6,220	2,720	8,940

July 2021	6,191	2,718	8,909
August 2021	6,166	2,704	8,870
September 2021	6,120	2,679	8,799
October 2021	6,081	2,664	8,745
November 2021	6,042	2,653	8,695
December 2021	5,993	2,649	8,642
January 2022	5,924	2,642	8,566
February 2022	5,901	2,638	8,539
March 2022	5,898	2,645	8,543
April 2022	5,912	2,640	8,552
May 2022	5,882	2,636	8,518
June 2022	5,891	2,618	8,509
July 2022	5,846	2,626	8,472
August 2022	5,805	2,636	8,441

- 3.3 The level of CTS caseload is an important factor when considering the potential cost of a local CTS scheme – as effectively an increase in caseload increases the cost of the scheme, and vice versa the cost decreases when the CTS caseload reduces. Understandably, the Covid-19 pandemic had a direct impact on the number of residents claiming CTS. It can be seen that caseloads rose sharply in 2020 and 2021 as an outcome of the impact of Covid-19 on the economy and residents’ incomes. The caseload then plateaued somewhat before falling and returning back to pre-pandemic levels. However, with the ongoing cost of living pressures on residents there is the potential that the number of claimants may begin to increase again.

4. City of Lincoln Council 2022/23 CTS Scheme

- 4.1 The current, 2022/23 scheme has the following restrictions for working age customers: -
- Capital limit £6,000;
 - Minimum entitlement of £2 per week;
 - Property banding capped at Band B e.g., a customer in Band C (and above) property, will only have their CTS calculated on Band B liability;
 - Backdating restricted to 1 month; and
 - Temporary absence from home in line with Housing Benefit regulations.

5. Council Tax Support Scheme Options for 2023/24

- 5.1 In this Council’s Medium Term Financial Strategy (MTFS), the budgeted cost of the 2023/24 CTS scheme is £1,277,300 (i.e., City of Lincoln Council’s share 14.5%, - (with the estimated total scheme cost of c£8.8m dependent on increases in the main preceptors levels of Council Tax).

If the Council wishes to continue protecting vulnerable working age CTS recipients, then any changes to the CTS scheme will only apply to 2,695 customers or 34.92% of the caseload. Changes to the CTS scheme may be made for vulnerable working age customers too, however pension age residents are ‘protected’ and the ‘default’ government scheme effectively applies.

City of Lincoln’s CTS caseload as at 24th August 2022, can be broken down as follows:

Caseload breakdown	Caseload	% of total caseload
Total caseload	8,441	
Pensioner	2,636	31.23%
Working age vulnerable	3,110	36.84%
Working age non-vulnerable	2,695	34.92%

5.2 Based on the current core elements of the existing scheme, caseload increases of 0% and 5% have been modelled, along with Council Tax increases of 1.9% and 2.5%. These are summarised in **Appendix 1**, giving an indication of the potential cost and savings to City of Lincoln Council. Also included is the potential value for non-collection, based on the collection figure currently included in the MTFS (98.75%).

5.3 As a billing authority the Council can decide whether or not to amend core elements of its scheme each year. Proposed options for consultation that were considered by Executive on 17th October 2022, are included at Appendix 1 to this report.

There will be some technical changes that will still need to be applied to ensure that the Council's scheme complies with the Prescribed Scheme Regulations (for example, covering Universal Credit, premiums and discounts). These details are awaited from the Department for Levelling Up, Housing and Communities (DLUHC).

Technical amendments to the scheme in relation to uprating incomes, applicable amounts, disregards and allowances are to be collated once statutory details have been released by the Secretary of State.

5.4 In developing the modelling for each of the CTS scheme options a number of assumptions have been made, as follows:

- **No uprating of benefits figures** - although a figure of 10.1% benefits uprating has since been announced in the Autumn Statement, - impacts of this will be monitored and assessed going forward.
- As the Council and major preceptors are likely to set differing levels of Council Tax increases, this creates a variety of modelling scenarios. **Council Tax increases of 1.9% and 2.5%** have therefore been assumed for modelling purposes. The final costs of the scheme will though be increased by the actual level of Council Tax increases applied. The modelling does not though take into consideration that the Council's percentage share of the overall cost of the scheme would slightly reduce if other preceptors increase their Band D by a greater percentage than the Council, this would in effect reduce the cost of the scheme to the Council.
- **No increase in caseload for 2023/24, also a 5% caseload increase.** These caseload projections would effectively allow for the currently-slightly decreasing CTS caseload to continue, then potentially rise due to forecast increased cost of living pressures. Of course, officers can only predict the economy and subsequent impacts on CTS caseload, particularly in the current climate this cannot be an 'exact science'.

- **Collection rate of 98.75%.** The MTFs assumes a collection rate of 98.75% for 2023/24 (this is same as the 2022/23 figure).

5.5 The options considered for consultation by Executive on 17th October 2022, were as follows, (both options are modelled including the factors as set out in paragraph 5.4 (above):

- **Option 1: No change to the current scheme;**
- **Option 2: Introduction of a ‘banded scheme’ for Universal Credit recipients based on earnings income** - *see paragraph 5.6 (below) for further information.

5.6 **Universal Credit Banded Scheme Based on Earnings Income**

For 2023/24, an option which was put forward for consideration is to make a fundamental change to the way CTS is calculated for customers who are in receipt of Universal Credit (UC).

Due to the way UC is re-assessed on a monthly basis by Department for Work and Pensions (DWP) – this means some Council Taxpayers have their UC entitlement altered each month – for example, where they have a fluctuating wage. If the UC recipient is also receiving CTS, this subsequently means that they then have a re-assessment of their CTS entitlement – meaning that it is possible to keep having a new bill sent each month, with instalments for repayment being ‘re-set’ – which can be confusing for customers, as well as administratively inefficient for officers – and preventing recovery progressing where there is non-payment of Council Tax. This is a particular issue with customers who have opted to pay by direct debit, as month after month the instalment resets and the direct debit is never taken. This moves their whole debt to the end of the year where potentially they are asked to pay more than they can afford, when they may have made every effort to pay this during the year.

Therefore, an option which could be considered is to adopt an income-banded local CTS scheme for UC recipients based on claimant and partners earnings. Above this, an option could also be to have fixed non-dependant deductions for these claims. Key objectives would be to move towards a scheme that is more adaptable to UC regulations, - and to provide clarity to UC claimants as to what their entitlement to CTS will be.

This scheme looks purely at whether a Universal Credit claimant (and partner, if applicable) is working and if so, what their net monthly earnings are. Officers would receive this information directly from the DWP.

This modelled scheme option has a series of 'income bands' and a customer's entitlement to CTS is based on what band their earned income falls within. A banded scheme means that small changes in a claimant's income will not necessarily change their entitlement to CTS.

To give this some context in terms of numbers, the CTS working age caseload as at 24th August 2022 is 8,441, and of this figure 3,414 customers are in receipt of UC –

equating to 40.45%.

For the purposes of modelling such a scheme, the following parameters have been included. However, if this option was to be taken forward for further consideration/consultation – further work would be carried out on these income bands and levels of non dependant deduction.

Income bands – monthly earnings	Contribution towards Council Tax (monthly)
Not in work or less than £290	£0
£290 to £609.99	£35
£610 to £1,159.99	£80
£1,160 to £1,844.99	£120
£1,845 to £2,369.99	£185
£2,370 to £2,899.99	£240
Over £2,900	No entitlement to Council Tax Support

5.7 Whilst the UC banded scheme modelled as part of this report (paragraph 5.6 (above)), is likely to achieve some efficiencies, - potentially now is not the right time to change to this scheme. There are variables around entitlement which would result in some customers receiving an increased CTS award, and with some receiving a reduced CTS award. The initial modelling of the UC banded scheme also shows that the banded scheme could actually cost more due to there being more increased than decreased awards, also due to claimant numbers potentially increasing due to the cost of living challenges – which could be a further financial pressure for the Council at a time when it is facing escalating costs due to current economic factors.

Also, UC numbers are still relatively low – however, with the government announcing an intention to complete the next phase of managed migration from legacy benefits to UC by the end of 2024, the UC banded scheme would potentially achieve further efficiencies from either 2024/25 or 2025/26.

5.8 **Continuation of the Exceptional Hardship Scheme:** Exceptional Hardship Payments (EHP) assist persons who have applied for CTS and who are facing ‘exceptional hardship’ – it is similar to the Discretionary Housing Payment scheme (DHP) for Housing Benefit shortfalls. EHP provides a further financial contribution where an applicant is in receipt of CTS but the level of support being paid by the Council does not meet their full Council Tax liability.

The Council is required to provide financial assistance to the most vulnerable residents, who have been disproportionately affected by the changes made in 2023 to the CTS Scheme. Since April 2013, the Council has agreed to introduce an EHP scheme each year, in order to provide a safety net for customers, in receipt of Council Tax Support who were experiencing difficulty paying their Council Tax. Exceptional Hardship falls within Section 13A(1) of the Local Government Finance Act 1992 and forms part of the CTS Scheme.

The cost of EHP awards is borne solely by City of Lincoln. As at 16th December

2022, a total of £11,365 EHP has been awarded for 2022/23. It is proposed that an EHP budget of £25,000 be in place for 2023/24.

The EHP scheme could be particularly vital if an option such as that detailed in paragraph 5.6 was to be implemented – as this could potentially be used in appropriate circumstances to make payments to CTS recipients with reduced awards under the scheme and suffering exceptional hardship as a result.

5.9 Committee and Consultation Timetable

5.10 The timetable to approve any changes to the new scheme takes into account the existing calendar of meetings. Full Council as the Billing Authority needs to approve the scheme after consultation as outlined in paragraph 2.4.

5.11 The timetable is as follows:

- Executive: 17th October 2022, *to consider/approve options for consultation*
- Consultation starts (6 weeks): 19th October 2022, *including consultation with public, other appropriate organisations (e.g., Citizens Advice), and major precepting authorities*
- Policy Scrutiny Committee: 22nd November 2022, *as part of consultation process*
- Consultation Ends: 29th November 2022
- Executive: 3rd January 2023, *to refer to Council a recommendation on a proposed 2023/24 scheme*
- Council: 17th January 2023, *the Local Government Finance Act 2012 requires a full review of the scheme by the Billing Authority. City of Lincoln Council will need to approve a new scheme after consultation by 31st January 2023.*

6. Outcomes of Consultation

6.1 Question 1

- **Do you agree that there should be reduced support if a household has more income coming in or have savings to pay Council Tax**
 - Yes: 87
 - No: 15
 - Don't know: 12

Question 2

- **Current scheme to continue into 2023-24**
 - Yes: 100
 - No: 8
 - Don't know: 7

Question 3

- **If you answered No or Don't know to question 2 – customers were**

invited to make any other comments or suggestions.

- Comments made by 12 customers

Q3
People who are nearing retirement will be panicked into bereavement opportunities and those who are ill equipped ?
NO
I just don't know
Low income shouldn't pay
Keep it the same
Im currently unemployed due to being made redundant. So i dont know what to do
I think £6000 is too low because many households with children will be facing hardship in the coming year. I think it used to be £10000. Also, £6000 is eroded by the inflation and the value of the pound, so it is a real-terms decrease to just leave it. I think it should be uprated, and should probably be higher at, say, £7200.
Care leavers, should have to pay. Even if it's only a nominal amount. Unoccupied properties should have the premium charge to pay earlier than 2 years. There's not enough housing available. So they should start paying after about 4-6 months. That time scale is enough to employ tradespeople if needed, arrange your own moving dates or advertise the property for rental or sale
I believe that backdating should be restricted to 3 months and not 1. I believe that it's very important that people who can't work due to being disabled should continue to receive the support until/if they return to full time work.
I DON'T KNOW
I want reduction council tax
N/A

6.2 Following the consultation period, Lincolnshire County Council confirmed no comment or objection to the proposed 'no change' to the scheme.

7. Significant Policy Impacts

7.1 Strategic Priorities

Let's drive inclusive economic growth - Council Tax Support has a key role in Reducing poverty and disadvantage by ensuring residents in those households who cannot afford to pay their Council Tax receive financial support. The changes to Council Tax Support form part of the national welfare reform agenda, with the risks of changes to numbers of claimants due to economic change and funding gap costs being passed from central government to local authorities. Central government now has a fixed cost funding arrangement whereas local government must set a scheme in advance of the financial year it applies to but cannot change it should circumstances change unexpectedly or if the assumptions used to decide the scheme are not realised. Central government states that this places responsibility for the local economy such as creating businesses and jobs on local government as part of the localism agenda

Let's reduce all kinds of inequality - The Authority will be obliged to comply with its general equality duty under the Equality Act 2010. The scheme is being amended in line with statutory requirements and uprating the financial allowances. Early modelling shows the number of customers affected and pay how much (total and average per week). Once a decision has been made regarding the options of modelling, an equality impact assessment will be undertaken.

Council Tax Support awards are notified on Council Tax bills. If the scheme were likely to change, consultation with precepting authorities, stakeholders (such as Citizens Advice and Financial Inclusion Partnership) and residents would be required. Once a decision has been made, notification within Council Tax bills and annual CTS updating letters would be issued advising claimants of the decision once their award for the new financial year is known.

7.2 Organisational Impacts

Finance (including whole life costs where applicable)

The actual cost of the discount scheme in 2023/24 will not be known for certain until the end of the financial year and will be dependent on the actual caseload in year as well as the levels of Council Tax set by the City Council and the major precepting authorities.

An indicative range of costs for 2023/24 based on various scenarios and the options set out in section 5 of this report are set out in Appendix 1.

The estimated cost of the scheme, based on current caseload, is taken into consideration when calculating the Council's tax base for the financial year and will impact on the estimated Council Tax yield for the year. Any difference in the actual cost of the discount scheme to that estimated in the tax base calculation will be accounted for within the Collection Fund and will be taken into account when future years surpluses or deficits are declared.

It is proposed an Exceptional Hardship Fund of £25,000, be made available during 2023/24 – the cost of this fund is wholly borne by City of Lincoln Council as Billing Authority.

7.3 Legal implications inc Procurement Rules

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, laid before Parliament on 22nd November 2012, set out the regulations for a default scheme and this was adopted by the Council subject to local policy needs in January 2013. The Secretary of State has issued amendment regulations setting out some changes that must be adopted by the Council for pensioners and the Council has also decided in 2013 to keep the schemes allowances and premiums in line with those for Housing Benefit for working age claimants. These are incorporated into amendments to the local scheme for approval by the Council.

The regulations for the City of Lincoln Council scheme proposed to be adopted are to be collated and made available for Council in January 2023.

7.4 Equality, Diversity and Human Rights

The Authority will be obliged to comply with its general equality duty under the Equality Act 2010 – an Equality Impact Assessment is included at Appendix 4 to this report.

7.5 **Staffing**

No change to current staffing arrangements as a result of this policy.

8. **Risk Implications**

- 8.1 The Council, along with the other preceptors, bears the risk of the cost of the Council Tax Support scheme should caseload increase causing the cost to increase more than predicted.
- 8.2 Any revisions to the scheme must be approved by 31st January 2023, before the new financial year begins.
- 8.3 The scheme cannot be changed mid-year and therefore it is vital an appropriate scheme is in place.

9. **Recommendations**

9.1 Executive is asked to:

- 1) Consider this report, taking into consideration the responses as part of the consultation.
- 2) Executive is asked to recommend to Council that it:
 - (a) Approves a 'no change' to the core Council Tax Support scheme for 2023/24 as set out in Section 4 and subject to the technical amendments described in paragraph 5.3;
 - (b) Approves an Exceptional Hardship Fund of £25,000 to be available, for the financial year 2023/24;
 - (c) Approves further detailed modelling of a Universal Credit banded scheme from 2024/25 to be undertaken, with a view to consulting on such a scheme for 2024/25.

Key Decision	Yes
Do the Exempt Information Categories Apply	No
Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	Yes
If Yes, how many Appendices?	4
	Appendix 1 – Council Tax Support Modelling 2023/24 Appendix 2 – Policy Scrutiny Committee Draft Minutes 22 nd November 2022 Appendix 3 – Consultation response from Lincolnshire Police and Crime Commissioner Appendix 4 – Equality Impact Assessment
List of Background Papers:	None
Lead Officer:	Martin Walmsley – Telephone 01522 873597

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Appendix 1: 3rd January 2023 – Executive - City of Lincoln Council – Council Tax Support 2023/24 scheme

Option 1: No change to the current scheme	Estimated Total Spend (all preceptors)	City of Lincoln Spend – 14.5%	Difference to MTFS (£1,277,300) – (saving) / cost	Amount expected to be collected using collection figure of 98.75%
<ul style="list-style-type: none"> • 0% caseload change • 1.9% Council Tax increase 	£8,381,407	£1,215,304	(£61,996)	(£61,221)
<ul style="list-style-type: none"> • 0% caseload change • 2.5% Council Tax increase 	£8,554,088	£1,240,343	(£36,957)	(£36,495)
<ul style="list-style-type: none"> • 5% caseload increase • 1.9% Council Tax increase 	£9,335,984	£1,353,718	£76,418	£75,463
<ul style="list-style-type: none"> • 5% caseload increase • 2.5% Council Tax increase 	£9,395,275	£1,362,315	£85,015	£83,952

Appendix 1: 3rd January 2023 – Executive - City of Lincoln Council – Council Tax Support 2023/24 scheme

Option 2: Universal Credit Banded Scheme based on earnings income	Estimated Total Spend (all preceptors)	City of Lincoln Spend – 14.5%	Difference to MTFS (£1,277,300) – (saving) / cost	Amount expected to be collected using collection figure of 98.75%
<ul style="list-style-type: none"> 0% caseload change 1.9% Council Tax increase 	£8,421,750	£1,221,154	(£56,146)	(£55,444)
<ul style="list-style-type: none"> 0% caseload change 2.5% Council Tax increase 	£8,594,431	£1,246,193	(£31,107)	(£30,718)
<ul style="list-style-type: none"> 5% caseload increase 1.9% Council Tax increase 	£9,376,327	£1,359,567	£82,267	£81,239
<ul style="list-style-type: none"> 5% caseload increase 2.5% Council Tax increase 	£9,435,620	£1,368,165	£90,865	£89,729

28

Further information re Option 2:

This UC Banded Scheme based on earnings would result in some Council Taxpayers receiving a higher level of CTS than under the current scheme, and some customers would receive a reduction in CTS. Based on the modelling that has taken place:

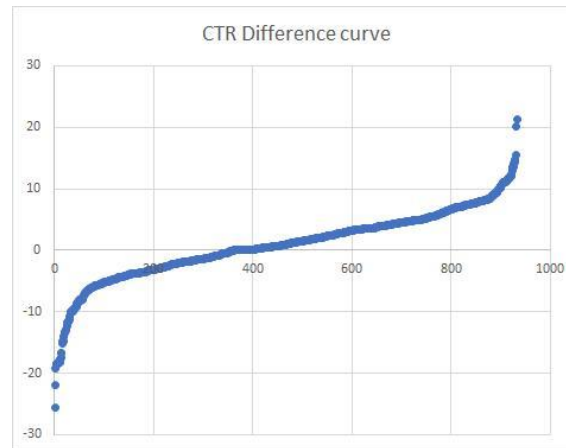
- Biggest **increase** for a resident: **£21.37 per week**
- Biggest **decrease** for a resident: **£25.56 per week**
- 536 have an increased award, 36 no change, 361 have a reduced award.

Appendix 1: 3rd January 2023 – Executive - City of Lincoln Council – Council Tax Support 2023/24 scheme

Difference in weekly entitlement range: From (£) (- decrease, + increase)	Difference in weekly entitlement range: To (£)(- decrease, + increase)	Number of customers
-20.01	-30.00	2
-10.01	-20.00	32
0.01	-10.00	327
0	0	36
+0.01	+10.00	499
+10.01	+20.00	35
+20.01	+30.00	2

29

Below: Council Tax Support (also known as Council Tax Reduction (CTR)) ‘distribution curve’ of potential increased and decreased awards from initial modelling:



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EXTRACT FROM COMMITTEE

Policy Scrutiny Committee

22 November 2022

DRAFT

25. Localised Council Tax Support Scheme 2023/24

Tracey Parker, Revenues and Benefits Manager:

- a. presented the proposed scheme for Local Council Tax Support for the financial year 2023/24 and accompanying Exceptional Hardship Payments Scheme, as part of the formal consultation period.
- b. gave the background to the scheme as detailed at paragraph 2 of the report and advised that there were currently 8441 residents claiming Council Tax Support in Lincoln.
- c. advised that there were 2,636 pensioners in receipt of Council Tax Support and they were protected under the legislation so that they would not be affected by any changes made to the Council Tax Support Scheme.
- d. further advised that there were 5,805 working claimants who would be affected by any changes made to the scheme, and such any potential reduction in support being provided. Unless a decision by the Council was made to apply scheme changes to vulnerable working-age customers, the localised Council Tax Scheme.
- e. highlighted the impacts of Covid-19 on the amount of Council Tax Scheme awarded, with significant increases in caseload and cost of the scheme as detailed at paragraph 3 of the report.
- f. referred to paragraph 4 of the report and gave an overview of the current Council Tax Support Scheme.
- g. advised that based on the current core elements of the existing scheme, caseload increases of 0% and 5% had been modelled, along with Council Tax increases of 1.9% and 2.5%. These were summarised in Appendix 1 of the report which gave an indication of the potential cost and savings to the City of Lincoln. Also included was the potential value for non-collection (based on projected collection in the tax base of 98.75%)
- h. explained that as a billing authority the Council could decide whether or not to amend core elements of its Council Tax Support scheme each year. Officers were proposing options for consultation to change certain core elements of the scheme which were summarised at Appendix 1 of the report.

Appendix 2: 3rd January 2023 – Executive - City of Lincoln Council – Council Tax Support 2023/24 scheme – Policy Scrutiny Committee 22nd November 2022 Draft Minutes

- i. referred to paragraph 5.3 and 5.4 of the report and explained the technical amendments and assumptions that had been made in developing the modelling for each Council Tax Support Scheme.
- j. reported that the options considered for consultation by Executive on 17th October 2022 were as follows:
 - Option 1: No change to the current scheme;
 - Option 2: Introduction of a 'banded scheme' for Universal Credit recipients based on earnings income (as detailed at paragraph 5.6 of the report)
- k. referred to paragraph 5.8 of the report which detailed the Exceptional Hardship Payments Scheme and proposed an Exceptional Hardship Budget of £25,000 be put in place for 2023/24.
- l. asked for committee's consideration and comments as part of the formal consultation process.

Question: Asked if there was a banded scheme in place at the moment.

Response: There was not a banded scheme in place at the moment. Currently the Department of Work and Pensions notified the Council if there was a change in Universal Credit and therefore there would be a change to the Council Tax Support. A banded scheme had been modelled for this year, however, due to the cost-of-living crisis and the potential increases in cost to the Council it was decided not to go ahead with a banded scheme this year. The public consultation had been based on no change to the current scheme as agreed by Executive.

Question: Asked what the difference was between the banded scheme that had been modelled this year and the proposed banded scheme for next year.

Response: A banded scheme would mean that changes were made each month, this could save money in admin costs and allow residents to budget better.

Comment: It would be interesting to know how much the admin costs were next year.

Question: Asked why the banded scheme was not being brought in this year.

Response: Due to the fluctuations from month to month, it was felt that this would not be the right time to introduce the scheme due to the cost-of-living crisis.

Question: Asked why a banded scheme would be better in the future.

Response: More modelling work on a banded scheme was required to see if it was feasible in the future.

Comment: Suggested that an average bill could be issued each month and then a final bill at the end of the year.

Response: In this circumstance some customers would then be issued with a large bill at the end of the year.

Question: Referred to paragraph 5.1 of the report and asked for clarification.

Appendix 2: 3rd January 2023 – Executive - City of Lincoln Council – Council Tax Support 2023/24 scheme – Policy Scrutiny Committee 22nd November 2022 Draft Minutes

Response: Clarified that pensioners were protected by legislation but working age vulnerable and non- vulnerable residents were not protected by legislation, however, the City of Lincoln Council used discretion to protect the working age vulnerable from changes to the scheme

Question: Asked if any Councils did not have a Council Tax Support Scheme.

Response: No, not that we were aware of.

Question: Asked if there were any Councils that did not operate an Exceptional Hardship Fund.

Response: No, a scheme was required by legislation.

Question: Referred to paragraph 5.6 of the report and asked if the amount if income was in relation to money received from working or money received from Universal Credit.

Response: It related to earnings received.

Question: Asked if residents who could not pay their Council Tax would qualify for the Exceptional Hardship Fund.

Response: The individuals' circumstances would be considered in this situation.

RESOLVED that

1. the 'no change' scheme for 2023/24 be supported as the preferred option.
2. That further detailed modelling of a Universal Credit banded scheme for 2024/25 be supported.
3. The Exceptional Hardship Scheme of £25,000 for 2023/24 be supported.

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Lincolnshire
POLICE & CRIME COMMISSIONER

SAFER TOGETHER

Deepdale Lane, Nettleham, Lincoln LN2 2LT
Telephone (01522) 947192 Fax (01522) 558739
E-Mail: lincolnshire-pcc@lincs.pnn.police.uk Website: www.lincolnshire-pcc.gov.uk

Date: 29th November 2022
Our Ref: JF/ch/2022-1355

Jaclyn Gibson
Chief Finance Officer
City of Lincoln Council
City Hall
Beaumont Fee
LINCOLN
LN1 1DD

By Email: Jaclyn.Gibson@lincoln.gov.uk

Dear Jaclyn

CONSULTATION ON PROPOSED COUNCIL TAX SUPPORT SCHEME FOR 2023/24

Thank you for your letter of 19th October in which you seek views on City of Lincoln Council's proposed Council Tax Support Scheme for 2023/24. I note that two options are being consulted upon:

- **Option 1: No change to the current scheme;**
- **Option 2: Invite customers to comment on changes they would like to see if they do not agree to Option 1.**

No doubt you will inform us in due course of any material proposed changes emerging under Option 2. Thank you for giving us the opportunity to comment.

Thank you for giving us the opportunity to comment.

Yours sincerely

Julie Flint
Chief Finance Officer

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Equality with Human Rights Analysis Toolkit



SECTION A

Name of policy / project / service	Council Tax Support Scheme 2023/24
Background and aims of policy / project / service at outset	<p>The Council must review and reapprove its Council Tax Support scheme each year as part of its budget setting process, and make any necessary changes for 1st April 2023.</p> <p>It is recognised that the combined effects of the wider welfare reform package on the residents of the District requires a robust and detailed Equality Impact Assessment (EIA).</p> <p>This EIA makes reference to data derived from the current Council Tax Support caseload.</p> <p>Following agreement by Executive on 17th October 2022 to consult on a ‘no change’ scheme for 2023/24 of the draft scheme, formal consultation commenced on 19th October 2022 and ended 29th November 2022, - which included to those in receipt of Council Tax Support, potentially interested organisations such as Citizens Advice, and other Council Tax major precepting authorities.</p> <p>As a ‘no change’ scheme is being proposed this time round, there is likely to be minimal impact from an equalities perspective.</p>
Person(s) responsible for policy or decision, or advising on decision, and also responsible for equality analysis	Martin Walmsley, Assistant Director – Shared Revenues and Benefits
Key people involved <i>i.e. decision-makers, staff implementing it</i>	<ul style="list-style-type: none"> • Decision Makers – City of Lincoln Members, and Executive • Staff implementing any changes

37

SECTION B

This is to be completed and reviewed as policy / project / service development progresses

	Is the likely effect positive or negative? (please tick all that apply)			Please describe the effect and evidence that supports this?*	Is action possible to mitigate adverse impacts?	Details of action planned including dates, or why action is not possible
	Positive	Negative	None			
Age	Y	Y		<p>Pensioners are a protected group for the purposes of Council Tax support Scheme so will not be financially affected, therefore any reduction in benefit would be borne by the remainder of those in receipt of Council Tax Support (working age).</p> <p>There could be a risk people of working age who will bear all the financial impact of the changes, may resent the fact that pensioners are exempt. Working age claimants with younger children under 5 are more likely to be unemployed or work part-time hours (and are mostly female), therefore childcare costs could be a barrier to employment. However, the current Council Tax Support scheme takes childcare costs up to a certain level into account, also Universal Credit takes account of childcare costs in the assessment of entitlement.</p> <p>Due to the current economic climate, it is more difficult for younger people to access employment providing further financial difficulties. Council Tax Support will only be available to those young people who are liable to pay Council Tax and this only applies</p>	Yes	<p>Action dependant on outcome of consultation and Executive recommendation on 3rd January 2023</p> <p>With effect from 1st April 2023</p>

38

Appendix 4 – 3rd January 2023 – Executive - City of Lincoln Council– Council Tax Support 2023/24 scheme Equality Impact Assessment

				to householders over 18 years of age. If the young person is living in their parent or other householder's home they will not be liable to pay Council Tax so will not be affected by the Council Tax Support scheme unless they are a non-dependent in the householder's home.		
39 Disability including carers (see Glossary)	Y			<p>The Department for Work and Pensions states that disabled people are less likely to be in employment, therefore the proposals do not impact on this group to the extent that they are regarded as a vulnerable group – or certain incomes would be disregards under the ‘All working age banded scheme’.</p> <p>To qualify as ‘disabled’ the person must</p> <ul style="list-style-type: none"> • Qualify for a disability, enhanced disability or severe disability premium for the claimant or partner, or • Qualify for disability or enhanced disability premium for a dependent, or • Qualify for a disability earnings disregard, or • Receive a disability related council tax reduction. • Be in receipt of Employment and Support Allowance (Work Related or Support Group component). 	Yes	<p>Action dependant on outcome of consultation and Executive recommendation on 3rd January 2023</p> <p>With effect from 1st April 2023</p>
Gender re-assignment			Y	This does not have any effect on the decisions made under this policy.	N/A	

Appendix 4 – 3rd January 2023 – Executive - City of Lincoln Council– Council Tax Support 2023/24 scheme Equality Impact Assessment

Pregnancy and maternity			Y	This does not have any effect on the decisions made under this policy.	N/A	
Race			Y	Persons from abroad are excluded from provision by statute but race or ethnicity itself does not have any effect on the application of the scheme. Scheme rules do not take into account race or ethnicity. Council Tax Support is proposed to be considered to potentially affect all working age customers.	N/A	
Religion or belief			Y	There is no evidence at this stage of an impact in relation to religion or belief	N/A	
Sex			Y	This does not have any effect on the decisions made under this policy.	N/A	
Sexual orientation			Y	This does not have any effect on the decisions made under this policy.	N/A	
Marriage/civil partnership			Y	This does not have any effect on the decisions made under this policy.	N/A	
Human Rights (see page 8)			Y	This does not have any effect on the decisions made under this policy.	N/A	

- Evidence could include information from consultations; voluntary group feedback; satisfaction and usage data (i.e. complaints, surveys, and service data); and reviews of previous strategies

Appendix 4 – 3rd January 2023 – Executive - City of Lincoln Council– Council Tax Support 2023/24 scheme Equality Impact Assessment

Did any information gaps exist?	Y/N/NA	If so what were they and what will you do to fill these?
	N	

SECTION C
Decision Point - Outcome of Assessment so far:


Based on the information in section B, what is the decision of the responsible officer (please select one option below):

- | | Tick here |
|---|------------------|
| ✓ No equality or human right Impact (your analysis shows there is no impact) - sign assessment below | [] |
| ✓ No major change required (your analysis shows no potential for unlawful discrimination, harassment)- sign assessment below | [x] |
| ✓ Adverse Impact but continue (record objective justification for continuing despite the impact)-complete sections below | [] |
| ✓ Adjust the policy (Change the proposal to mitigate potential effect) -progress below only AFTER changes made | [] |
| ✓ Put Policy on hold (seek advice from the Policy Unit as adverse effects can't be justified or mitigated) -STOP progress | [] |

Conclusion of Equality Analysis (describe objective justification for continuing)	<p>Council Tax has to be paid by all those liable to pay it but some people will have limited means to do this because of their low income or they have higher living costs due to illnesses, disabilities or family or personal circumstances.</p> <p>Council Tax is required to raise month to fund Council services but a certain amount of money is directed to those who cannot afford to pay the Council Tax to reduce the financial burden on those households because they need it or because society considers that financial support is beneficial to help certain categories of people in certain situations.</p> <p>As 'no change' scheme is proposed for 2023/24.</p>
--	--

When and how will you review and measure the impact after implementation?	<p>The policy and Council Tax Support is the responsibility of City of Lincoln Council. It is approved by Executive and then Full Council. It will be administered by the Council's Shared Revenues and Benefits Service.</p> <p>The Council continually analyses its Council Tax Support caseload and produce figures showing the main groups of working age claimants getting Council Tax Support now and likely to be affected by changes to the current scheme. Extracts of the data will allow monitoring of the main types of people affected by the policy can take place as required.</p>
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Appendix 4 – 3rd January 2023 – Executive - City of Lincoln Council– Council Tax Support 2023/24 scheme Equality Impact Assessment

Checked and approved by responsible officer(s) (Sign and Print Name)		Date	
Checked and approved by Assistant Director (Sign and Print Name)	 Martin Walmsley	Date	2 nd December 2022.

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SUBJECT: COLLECTION FUND SURPLUS/DEFICIT – COUNCIL TAX

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON – CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To inform Members of the estimated balance for the Council Tax element of the Collection Fund and the surplus or deficit to be declared for 2022/23.

2. Executive Summary

- 2.1 Prior to setting the Council Tax for 2023/24 the City Council is required to estimate whether there is to be a surplus or deficit on Council Tax element of the Collection Fund for the current financial year (2022/23).
- 2.2 The Council will declare a deficit on Council Tax £629,307 for the financial year 2022/23, with the City Council's share being £91,532, to be distributed in 2023/24.
- 2.3 In addition, as part of a spreading adjustment in respect of 2020/21 deficits, a deficit of £297,589, with the City Council's share being £44,595, will be distributed in 2023/24.
- 2.4 The net position to be distributed in 2023/24, for the City Council's share, is therefore a deficit of £136,126, as set out below:

	2023/24 CoLC Share £
Council Tax – 22/23 estimated deficit	112,204
Council Tax - prior years surplus	(20,672)
Total Deficit Declared for 22/23	91,532
Council Tax – spreading adjustment 21/22	44,595
Total Deficit to be distributed in 22/23	136,126

3. Background

- 3.1 As a Council Tax Billing Authority, the City Council is required to estimate whether there is to be a surplus or deficit on the Collection Fund for the current financial year, prior to setting its Council Tax for the next year. The calculation is based on an estimate of tax collected in year compared to the estimate made the previous year, taking into account any previously declared surplus or deficit and the expected year-end arrears position.
- 3.2 The calculation of Council Tax is based on an estimate of tax collected in year compared to the estimate made the previous year, taking into account any

previously declared surplus or deficit, and a forecast for the remainder of the current year.

3.3 A surplus or deficit may occur in the Collection Fund if actual performance during the year is higher or lower than originally estimated when Council was set. Areas of variance include:

- Council Tax base is larger or smaller than originally anticipated (reasons may be increased property development or changes in exemptions and discounts)
- Claimant numbers for the Local Council Tax Support scheme are higher or lower than expected.
- In year collection rates are higher or lower than expected,
- Arrears collection rates are higher or lower than expected

3.4 The Council is required to declare any surplus or deficit during January of each financial year and once approved has an obligation to notify its major precepting authorities (Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire) of their share of the estimated surplus or deficit.

4. Estimated Surplus/Deficit for 2022/23 – Council Tax

4.1 As at 31st March 2022 the Collection Fund is estimated to have a deficit of £771,434 for Council Tax relating to the Financial Year 2022/23.

4.2 The primary reasons for this deficit in year is due to a higher number of property exemptions than had been assumed for in the Council Tax Base, along with a lower than anticipated increase in new properties within the City.

4.3 In addition to declaring the estimated surplus or deficit position on the Collection Fund for the current financial year the Council is also required to declare any surplus or deficit relating to the difference between previously declared surplus/deficit positions and the actual outturn position as reported in the Council's Statement of Accounts. In 2022/23 there is a surplus balance of £142,127 in the Collection Fund relating to previous years.

4.4 Based on the forecast position of the in-year Collection Fund as at 31st March 2023 and taking into account an adjustment for the difference between prior year estimates compared to the actual outturn it is estimated that there will be a deficit of £629,307 on the Council Tax element of the Collection Fund in 2022/23. This surplus will be distributed between the City Council, County Council and Police and Crime Commissioner in 2023/24 as follows:

	£
City of Lincoln Council	91,532
Lincolnshire County Council	450,804
Police & Crime Commissioner	86,971
Total	629,307

5. Spreading Adjustment

- 5.1 Under normal circumstances a surplus or deficit reported in year is carried forward in the Collection Fund into the following financial year, when it is distributed and then impacts on the General Fund budget. However, on 1st December 2020 the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 came into effect. These regulations, which were mandatory, amended the rules governing the apportionment of Collection Fund surpluses and deficits for Council Tax and Non-domestic Rates. The key element of the Regulations was that Collection Fund deficits arising in 2020/21 could be spread over the following three years, rather than the usual period of one year.
- 5.2 As a result of this the deficit that the Council declared in relation to 2020/21, of £892,766, was spread over three year as follows:

	2021/22	2022/23	2023/24	Total
	£	£	£	£
City of Lincoln Council	44,595	44,595	44,595	133,784
Lincolnshire County Council	212,971	212,971	212,971	638,912
Police & Crime Commissioner	40,023	40,023	40,023	120,070
Total 2020/21 estimated deficit	297,589	297,589	297,589	892,766

The deficit of £297,589 will therefore also be distributed in 2023/24, in addition to the deficit of £629,307, a net position of a £926,896 deficit.

6. Strategic Priorities

- 6.1 There are no direct implications for the Council's Strategic Priorities arising as a result of this report.

7. Organisational Impacts

- 7.1 Finance

For City of Lincoln the financial implications of the report are summarised below:

	2022/23
	£
Council Tax – 22/23 estimated deficit	112,204
Council Tax - prior years surplus	(20,672)
Council Tax – spreading adjustment	44,595
Total Deficit	136,126

The Council's share of the estimated deficit will be distributed as set out in the above table and will form part of the Medium Term Financial Strategy 2023-28.

- 7.2 Legal Implications incl Procurement Rules

The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to establish and maintain a Collection Fund and report each year on surplus and deficits by the 15th January each year.

7.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

8. Risk Implications

- 8.1 The key risks associated to this report are financial, in terms of the accuracy of forecasts to arrive at the estimation of the deficit determined for the year 2022/23. Officers will continue to track and monitor the collection fund performance. The Councils performance on recovery of Council Tax, both in-year and for its overall recovery rate needs careful monitoring as does monitoring of trends in Local Council Tax Support scheme claimant numbers. The performance of the Collection Fund is included within the relevant directorate risk register and monitored accordingly.

9. Recommendations

- 9.1 The Executive are recommended to confirm the action of the Chief Finance Officer in declaring a Council Tax deficit of £629,307 for 2022/23, to be distributed in 2023/24.
- 9.2 The Executive are asked to note the spreading adjustment of a £297,589 deficit to be distributed in 2023/24.

Is this a key decision? Yes

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Jaclyn Gibson, Chief Finance Officer
Telephone (01522) 873258

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SUBJECT: ST GILES COMMUNITY CENTRE

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: ANTONY ANGUS – RECREATION SERVICES TEAM LEADER

1. Purpose of Report

- 1.1 To advise members of a Community Asset Transfer (CAT) application from Lincolnshire YMCA relating to St Giles Community Centre.
- 1.2 To seek approval, subject to a successful funding application by Lincolnshire YMCA, to asset transfer St Giles Community Centre.

2. Background

- 2.1 Lincolnshire YMCA are seeking to expand their role and functions in the area. They have identified funding opportunities through the national Youth Investment Fund.
- 2.2 St Giles Community Centre has had low community use for some years now. In addition, Lincolnshire County Council who currently lease the building on a pro-rata basis have given notice on their licence agreement to use the centre. The licence expires on 31 December 2022.
- 2.3 The Centre is currently valued on the asset register as at 31st March 2022 at £680,000.
- 2.4 Previously a youth centre was located next to the community centre but was subject to an arson attack in September 2016 which resulted in the building being demolished.

3. Community Asset Transfer

- 3.1 Community Asset Transfer (CAT) involves the transfer of the responsibility for an asset from the Council to a community group or voluntary organisation. This can be done through either a transfer of management responsibility, short or long term lease, or through the transfer of outright ownership. Transfer of the asset can be at less than market value.

Lincolnshire YMCA have submitted a community asset transfer application. The application is comprehensive and includes business plan, financial forecasting and risk assessment. A successful asset transfer and funding bid would see £1.5m capital investment in the premises to improve and enhance them as a community facility. Initial plans would see the retention of the sports hall, installation of a lift and remodelling of the first-floor accommodation including the installation of windows. These works would be subject to planning application processes.

- 3.2 The asset transfer would be dependent on a successful bid to the national [Youth Investment Fund](#). This is a £368m fund that aims to drive positive outcomes for young people through the creation, expansion and improvement of youth facilities and services.
- 3.3 The fund is [targeted](#) to specific areas of need on a ward basis. Abbey, Birchwood, Castle, Glebe, Minster, Moorland and Park in Lincoln qualify. St Giles Community Centre is therefore located within a target area. Grants can be used on the cost for building, renovating or refurbishing youth facilities as well as the associated costs (project management, professional costs, legal fees). Grants cannot be used to lease or purchase land or buildings. The fund can include revenue support as well as capital funding with a notional ratio of 80:20.
- 3.4 Officers from Finance, Property and Recreation Services have evaluated the CAT application and agreed that it is viable and would be a positive use for a currently little used facility. Early discussions have taken place with LCC Youth Services, who are supportive in principle and interested in being included as a stakeholder.
- 3.5 Lincolnshire YMCA are open to maintaining use of the premises by current hirers where feasible. Where this is not possible there is available capacity at Sudbrooke Drive Community Centre located 1 mile away.

4. Strategic Priorities

4.1 Let's drive inclusive economic growth

This proposal would see £1.5m capital investment in a facility.

4.2 Let's reduce all kinds of inequality

This proposal would improve access for all within the centre and improved facilities and activities for children and young people. The majority of current users will be able to continue using an improved building. Where this is not possible capacity is available at Sudbrooke Drive Community Centre.

4.3 Let's address the challenge of climate change

The proposal would see improvements to the building to make it more energy efficient and reduce the carbon footprint.

5. Organisational Impacts

5.1 Finance (including whole life costs where applicable)

The centre has a current asset value of £680,000, which will remain on the Council's balance sheet.

The current proposal is for a 25-year lease to the YMCA at nil consideration.

The transfer of the centre to Lincolnshire YMCA would yield an ongoing revenue saving as per the MTFS as outlined in the table below.

	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
Expenditure	22,730	23,310	23,710	24,120	24,530
Income	(10,090)	(10,400)	(10,710)	(11,040)	(11,370)
Net Budget	12,640	12,910	13,000	13,080	13,160

The ongoing revenue savings will be contributed to the Towards Financial Sustainability (TFS) savings programme.

5.2 **Legal Implications including Procurement Rules**

The council community asset transfer process has been followed.

5.3 **Equality, Diversity and Human Rights**

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

Use of the centre has been very low for several years. Some hirers will be able to continue use of the building through Lincolnshire YMCA. Capacity is available at Sudbrooke Drive Community Centre to absorb any displaced hirer.

The building will be improved and enhanced to provide better access for all.

Lincolnshire YMCA have a robust equality, diversity and inclusion policy.

Given that there will be minimal impact on existing hirers it is not felt that there is need for an Equality Impact Assessment. YMCA will engage with existing hirers to discuss requirements it is firmly believed we can accommodate all hirers.

5.4 **Human Resources**

There are no direct staffing implications.

5.5 **Land, Property and Accommodation**

As set out in paragraph 3.1, a CAT involves the transfer of the responsibility for an asset from the Council to a community group or voluntary organisation. The transfer is often at less than 'best consideration' i.e., below market value, based on the proposed mode and manner of operation of the asset and for agreed purposes and principles of direct community engagement/access/use and, possibly, wider community benefits.

CAT's can take the form of a freehold or leasehold transfers but are more typically leasehold transfers i.e., 25 years +. This is the preferred means of transfer to secure the agreed purposes and principles, the ongoing management and maintenance of the asset and a reversionary interest (and any future value including for alternative uses or redevelopment purposes) in the Council.

The proposed CAT Lincolnshire YMCA is in the form of a 25-year peppercorn lease of the premises.

A disposal by way of lease for more than 7 years must be at best rental consideration unless Secretary of State's consent is obtained, however, the Local Government Act: General Disposal Consent (England) 2003 gives consent for disposal at an undervalue (not exceeding £2,000,000) in circumstances where the local authority considers that the purpose for which the property is to be disposed is likely to contribute to the achievement of any one or more of the promotion or improvement of economic, social or environmental well-being in its area. In deciding this, it is expected that authorities will also have regard to their community strategy/strategic plans and act reasonably and prudently to fulfil their general fiduciary duty in a way that is accountable to local people.

The justification for this disposal at less than best consideration is on the basis that Lincolnshire YMCA is a not-for-profit organisation and there are perceived social and environmental outcomes for the public benefit from the YMCA investing and enhancing the building, as a community asset, to provide better access for all.

5.6 Significant Community Impact &/or Environmental Impact

Improvements to the building would see a reduced carbon footprint.

The building would meet an identified need to provide an enhanced facility targeted at children and young people.

6. Risk Implications

6.1 (i) Options Explored

To asset transfer St Giles Community Centre on condition of a successful funding application by Lincolnshire YMCA. This is the preferred approach.

To reject the asset transfer application.

6.2 (ii) Key Risks Associated with the Preferred Approach

The key risk would be that the centre becomes unviable in the future when revenue support from the Youth Investment Fund ceases. YMCA have a good track record of operating facilities sustainably.

7. Recommendation

- 7.1 It is recommended to agree to asset transfer St Giles Community Centre to Lincolnshire YMCA via a 25-year lease subject to successful funding being obtained from the Youth Investment Fund.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers: None

Lead Officer: Antony Angus, Recreation Services Team Leader
Telephone (01522) 873515
Email address: Antony.Angus@lincoln.gov.uk